The information contained within this announcement is deemed by the Company to constitute inside information for the purposes of Article 7 of Regulation (EU) 596/2014, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

26 April 2021

GYG plc
("GYG", the "Company" or the "Group")

2020 Final Results

Robust operational performance delivered in conjunction with efficiency program delivering an improved adjusted EBITDA margin

GYG (AIM: GYG), the market leading global superyacht service and supply group, today announces its audited Final Results for the year ended 31 December 2020.

Financial Highlights

- Group revenue decreased 7.7% to €58.9m (FY19: €63.8m)
  - Coatings (Refit and New Build) revenue decreased 5.4% to €50.8m (FY19: €53.7m)
  - Supply revenue decrease 19.8% to €8.1m (FY19: €10.1m)
- Adjusted EBITDA[1] increased 15.6% to €5.2m (FY19: €4.5m)
- Exceptional costs of €1.0m driven mainly by COVID
- Operating profit decrease of 7.7% to €1.2m (FY19: €1.3m)
- Profit before tax decreased to €0.2m (FY19: €0.8m)
- Net debt position[2] of €11.8m at 31 December 2020 (FY19: €8.2m)
- Cash of €3.6m at 31 December 2020 (€5.5m at 31 December 2019)
- Amended banking facilities agreed with improved repayment terms

Operational Highlights

- Robust performance despite COVID-19 disruption with record level Order Book at €41.1m at 31 March 2021
- Active on an unprecedented eight New Build projects during the year in the premium segment across Northern Europe, with work continuing on five of these into 2021
- Largest turnkey Refit project for a 115+ metre yacht in Germany started in Q4 2020
- Exclusive distribution agreement signed with ALTRAD plettac assco GmbH to distribute its specialised scaffolding equipment in the USA
- Expanded customer base and service offering in the Supply division with renewed focus on CRM systems, site consolidation and increased collaboration with Coatings division
- Entered partnership agreement with AkzoNobel to develop and bring to market a unique application methodology for its revolutionary new sprayable filler product
- Continued to build on IT infrastructure upgrades through system developments leading to improvements in operational planning and control
- Continued focus on strategic initiatives to drive operational efficiencies and utilise new innovative technologies, has delivered further improvements in EBITDA margin

Order Book
The Order Book[3] at 31 March:

Order Book at:	Total Order Book	Current Year	Forward Order Book*
31 March 2019	€38.8m	€16.7m	€22.1m
31 March 2020	€35.6m	€17.4m	€18.3m
31 March 2021	€41.1m	€24.5m	€16.6m

** Forward Order Book represents orders scheduled for completion in 2022 onwards*

- Record total Order Book at 31 March 2021, 15.4% increase ahead of same period last year
- Current year Order Book increased 40.1% from 31 March 2020

Current Trading and Outlook

- Positive start to the year with Q1 2021 revenue 21% ahead of same period in 2020 (some of which moved from Q4 into Q1 as previously reported) with improved margin performance despite ongoing disruptions
- Further progress in New Build shipyard relationships and strong sales momentum drives favourable mix of New Build and Refit contracts throughout year ahead, improving visibility and opportunities for additional efficiency gains
- Ongoing discussions with Nobiskrug administrator and related yacht owners give the Directors confidence that a positive outcome will be achieved
- Supply division demonstrating encouraging progress following rebrand and restructure
- We continue to assess further organic and inorganic growth opportunities
- Notwithstanding any ongoing impact from the pandemic, given the strength of the forward Order Book and strong start to the year the Board looks to the year ahead with cautious optimism

(1) Adjusted EBITDA is defined as operating profit before depreciation, amortisation, impairment, performance share plan costs and exceptional items. This is an alternative performance measure used by Directors to assess the operating performance of the Group

(2) Net debt position is defined as the net cash and cash equivalent balances, less short and long-term borrowings and obligations under leases. This is an alternative performance measure used by investors, financial analysts, rating agencies, creditors and other parties to ascertain a company's debt position

(3) Order Book is defined as contracted but unrecognised revenue from New Build and Refit projects. It does not include revenue already recognised during the year and it does not include any future value for revenue in the Supply division

Remy Millott, Chief Executive of GYG plc, commented:

"2020 has been an exceptional year of trading considering the operational challenges created by COVID-19. I am proud of how GYG has responded and adapted to the considerable disruptions. We have focused on maintaining our premium service to clients and I would like to thank the whole team for their incredible hard work and effort. Despite these unprecedented events, our market position and fundamentals remain strong but also demonstrate how our diversified, global model has created an opportunity to grow our market share and improve our operational model. As a direct result of management's strategy to drive market share in New Build and the ongoing new business development programmes we have been working through since 2019, our Order Book continued to build throughout the year.

"I am pleased with the strong start to the year; the record Order Book and favourable sales mix provides greater visibility enabling us to further improve operational efficiencies and continue to focus on enhancing margins."

For further information, please contact:

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Notes to Editors:

GYG is the market leading global superyacht service and supply group with operations across the Mediterranean, Northern Europe and the United States. The Company trades under Pinmar, Pinmar Yacht Supply and Technocraft brands and its operations are split between:

- Coatings: Operating under the 40 year old Pinmar brand, this division works across two segments of the superyacht market, New Build and Refit. A New Build project involves the fairing and painting of new superyachts in the latter stages of a multiyear construction process. In the Refit division, the Group undertakes a variety of activities including repainting, finishing and caulking as well as bespoke scaffold containment systems and hardware removal (under the Technocraft brand) on a regular basis. Superyachts also require a major inspection and service every five years to comply with maritime, insurance and industry regulations, which will often include a substantial refit maintenance programme.
- Supply: Trading under Pinmar Yacht Supply, this division operates the sale and delivery of maintenance materials, consumables, spare parts and equipment to superyachts and trade customers both via direct yacht sales and from retail stores across Europe's main shipyards.

Technical innovation lies at the heart of GYG, and the Group continues to innovate and invest in new application technology and training, leveraging its strong relationship with all the main superyacht paint manufacturers. Remaining at the forefront of application technology and quality standards is a key pillar of GYG's unique proposition, particularly to the New Build market.

Forward looking statements

All statements other than statements of historical fact included in this announcement, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to shareholder returns, dividends or any statements preceded by, followed by or that include the words "targets", "estimates", "envisages", "believes", "expects", "aims", "intends", *"plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward looking statements.*

Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results and performance to be materially different from future results and performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future.

These forward-looking statements speak only as of the date of this announcement. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

Nothing in this announcement shall constitute a profit forecast under rule 28 of the City Code on Takeovers and Mergers.

CHAIRMAN'S STATEMENT

In what has been the most challenging year in recent memory, I would like to acknowledge the tremendous efforts by all GYG employees and thank our customers and industry partners for their continued support. Our thoughts are with those whose lives have been impacted directly by the ongoing pandemic and our thanks go to all those continuously working to reduce the threat of COVID-19.

This last year proved the value of our strategic focus in 2019 on growing our addressable market, streamlining Company processes and core busines activities, improving operational efficiencies and preparing our IT infrastructure to support our growth ambitions. Although no one could have quite predicted the enormous impact that the world has experienced over the last 12 months, this put the Company in a strong position to leverage its scale and effectively manage the considerable disruptions to our business and industry.

FINANCIAL RESULTS

Group turnover for the year was €58.9m, a decrease of 7.7% over the €63.8m reported for 2019. The Group entered 2020 with its strongest ever Order Book and this decrease in revenue reflects the direct impact of the pandemic on the Group. Pleasingly, no revenues were cancelled, however, some projects were delayed from Q4 2020 into Q1 2021. The Coatings division revenue decreased 5.4% to €50.8m (FY19: €53.7m). The Supply division revenue was down 19.8% to €8.1m (FY19: €10.1m), reflecting the considerable disruption to the retail sector during this time.

Despite the exceptional trading conditions experienced, in-line with our stated strategy, management delivered a significant improvement in the Group's operational efficiency resulting in a 15.6% increase in Adjusted EBITDA to €5.2m (FY19: €4.5m), and an operating profit before tax of €1.2m (FY19: €1.3m). The 170 bps improvement in adjusted EBITDA margin to 8.8% (FY19: 7.1%) reflects the Group's strategic focus on continual improvement in operational performance, including innovative new technologies.

These results demonstrate an outstanding effort from the whole team. The increase in adjusted EBITDA and operating profit highlights the significant progress that the Group has continued to make from the foundations set in 2019 and shows further delivery of the Board's strategy to improve margins, embrace innovation and enhance both the quality and sustainability of earnings.

DIVIDEND

The Board believes it was in the best interest of the Company not to declare an interim dividend in 2020 or propose a dividend for the full year, as the Group continues to strengthen the balance sheet and expand the scale of its activities. However, it remains the Board´s intention to return to the dividend list at the earliest appropriate opportunity.

FINANCIAL POSITION

The Group's overall financial position remained relatively solid in the year. The reduced revenues as a result of the pandemic impacted operating cashflows during the year and as a result, net borrowings increased to €8.8m (FY19: €4.4m).

On 30 June 2020, as part of its response to the pandemic, the Group entered into new borrowing facilities of €3.0m through a Spanish government sponsored programme. The new facilities have a 12-month repayment holiday and are then repaid over the subsequent 24 months.

Post period end, in March 2021, the Group amended its existing borrowing facilities with its lenders. Under the terms of the amended agreement, Facility B, which was due to be repaid in March 2021, is now repayable in four tranches of €1.0m starting in June 2021 and ending in December 2022. Facility A was repaid in early April 2021.

As part of the amendment, an additional €1.0m of revolving credit, factoring and discounting facilities were made available to the Group. The continued support from the Group's lenders provides further stability and strength to the balance sheet as we emerge from the pandemic.

PEOPLE AND ORGANISATIONAL DEVELOPMENT
I am humbled by the resilience and compassion of our employees in what has been the most extraordinary year that many of us have experienced. The team have adapted quickly to differing lockdown restrictions and travel parameters across our diverse geographic operations and have done so with professionalism and dedication.

Management have made significant progress in strengthening the team particularly in response to our increased level of New Build activity across Northern Europe, along with improving core processes and controls. The team are currently investigating opportunities to upgrade IT systems to increase automation, improve operational efficiency and scale for future growth.

ENVIRONMENTAL ISSUES AND CLIMATE CHANGE
GYG recognises climate change as the biggest environmental threat the world currently faces and something that the Group must play an active role in trying to mitigate across its operations. Accordingly, in conjunction with our assessment and adoption of new technologies, the Group has commenced its first review of how all our businesses contribute towards climate change. As the largest division of the Group's activities, the initial priority is to focus on our Coatings operations where we already utilise the electrostatic paint application, which improves paint-transfer efficiency and significantly reduces the potential environmental impact of overspray.

During 2021 we will set out the parts of our Coatings operations that have the greatest environmental impact. This will include the preparation and application of coatings in both the New Build and Refit markets as well as transport and logistics. The goal is to assess appropriate KPIs specific to our environmental impacts, measure our performance against those KPIs throughout 2021 as part of a baselining exercise, and then develop plans for mitigating those impacts in the future. We will report on our performance against those KPIs on an annual basis going forward.

BREXIT
The Group invested time through the year to ensure that the appropriate planning and contingency processes were in place in advance of the UK's departure from the European Union. Due to the geographic spread of the Group's operations across Europe and the US, the Board does not believe that Brexit has or will have a material impact on the Group´s future prospects.

OUTLOOK
The Group has enjoyed a strong start to the current financial year with Q1 revenue 21% ahead of the same period last year, including some benefit from revenue deferred from Q4 as previously reported. Notwithstanding any further impact from the pandemic, this positive start to the year combined with a favourable sales mix and continued growth in our forward Order Book results in the Board looking to the future with confidence.

Shareholders will be aware that, on 9 April 2021, the Group was notified that one of the Company´s major shareholders, Harwood Capital, was in the preliminary stages of evaluating a possible offer for the entire issued and to be issued share capital of the Company. As of today, Harwood has made no further announcements in relation to this possible offer. Following publication of these results, it is the Board´s intention to engage with independent shareholders to appraise them further of the current trading and prospects for GYG. When we have feedback from independent shareholders in relation to the Group´s prospects and their attitude towards the unsolicited possible offer, we will make a further announcement.

Stephen Murphy
Non-Executive Chairman

CHIEF EXECUTIVE'S REPORT

The operating environment during the year was dominated by the COVID-19 pandemic and its impact around the world. Overall, the Group delivered a robust performance despite the considerable disruption caused by the pandemic, reflecting the strategic focus and measures taken to improve operational efficiency in 2019, which continued into 2020. As a result of these measures, the Group was in a far stronger position to effectively manage and overcome these challenges and starts the current financial year in a strong position.

We started 2020 with a record Order Book and continued to build on this throughout the year, with a particular focus on higher value, longer-term New Build contracts. We are currently working on several significant turnkey Refit projects, utilising the full-service range including bespoke scaffolding, containment, hardware removal, caulking and complete repainting alongside five New Build projects. In addition to evolving a favourable sales mix, we remain focused on driving further operational efficiencies and margin improvements across the Group. Despite the challenges we have faced, the market fundamentals remain strong, and our record Order Book not only demonstrates our client's conviction in the outlook for the industry but also provides better visibility, facilitates efficient planning, and gives us confidence for further market share gains in the year ahead.

Since the start of the COVID-19 pandemic our priority has been the health and safety of our colleagues, our customers, and the wider community in which we operate. The Group has worked tirelessly across our operations, contending with changing restrictions, quarantines and lockdowns in different jurisdictions and I would like to thank our employees for their resilience, adaptability and professionalism during this time.

During the year, new working practises and protocols were needed to improve working conditions and to adhere to social distancing in our workplaces. The big initiative we took was to completely reform and expand our Headquarters in Palma, which has allowed us to bring more colleagues and departments together safely in this building. Our organisational structure has also been refined in line with this initiative, with a focus on efficient reporting lines and cross-department collaboration.

COVID-19

The Group responded quickly and effectively to mitigate the impacts of COVID-19 and saw a positive client response.

Please refer to our COVID-19 Statement for further details.

FINANCIAL OVERVIEW

The Group delivered revenues of €58.9m in the year ended 31 December 2020 (FY19: €63.8m), a decrease of 7.7% but with a 15.6% increase in adjusted EBITDA to €5.2m (FY19: €4.5m), and a decrease of 7.7% in operating profit to €1.2m (FY19: €1.3m. Our gross margins also improved with our average gross margin for 2020 at 29.9%, up from 23.5% in FY19. This increase in adjusted EBITDA and gross margin reflects the committed approach to improving efficiencies and our focus on cost reduction initiatives throughout the year. We ended the year with cash of €3.6m (FY19: €5.5m) and net debt of €11.8m, up from €8.2m in FY19.

This represents a commendable performance, which has been delivered in the most extraordinary trading environment that the Group has ever experienced, with its operations impacted by differing lockdown and travel restrictions across Europe and the US throughout the year.

Overall, demand for the Group's specialist services remained strong with some owners using the travel restrictions as an opportunity to complete maintenance work during the normally quieter summer months. However, as per previous guidance, some Q4 projects were delayed into Q1 2021 with an associated deferral in revenues, which will therefore benefit future periods.

DIVISIONAL REVIEW

GYG's activities are segmented between two divisions, Coatings and Supply. For the year ended 31 December 2020 the Coatings division delivered revenues of €50.8m (FY19: €53.7m), a reduction of 5.4%, but an 11.1% increase in adjusted EBITDA to €4.0m (FY19: €3.6m). The Supply division delivered a 19.8% reduction in revenues to €8.1m (FY19: €10.1m) and a 22.2% increase in adjusted EBITDA to €1.1m (FY19: €0.9m).

COATINGS DIVISION

The Group's Coatings division operates under the 40 year old Pinmar brand and works globally across two segments of the superyacht market, namely New Build and Refit. With a long and well-respected history, Pinmar is recognised as the market-leading brand in superyacht painting with a reputation for premium quality having completed the fairing and finishing on many of the world's most prestigious superyachts.

A typical New Build project will involve the Group fairing and painting a new superyacht as part of the construction process. Starting with the bare substrate of steel or aluminium, specialist teams work in phases to smooth out any irregularities in the surface material and provide a solid base to build up the different layers of the paint system ready for the final visible topcoat. Each layer has distinct application and curing requirements and is crucial to the success of the overall system. The exterior finish of a superyacht is a key part of the construction process ensuring the physical integrity and performance of its hull and superstructure whilst being fundamental to the aesthetics of the finished yacht.

The construction of a 100m New Build yacht would typically take 30 months up to delivery, with fairing and painting contributing a considerable amount of the overall project schedule at 10-12 months. The Group is typically engaged to provide a quote for a shipyard up to 2 years before the build is due to start, while the shipyard is still in the bidding process for the project. GYG services are traditionally contracted at the beginning of the build process, with the fairing phase commencing on average 12-16 months into the project. To that end, New Build projects typically offer a higher value, longer-term revenue stream for the Group in addition to future repeat revenues as potential Refit projects.

A Refit project can see the Group undertake a variety of activities including bespoke scaffolding and containment, hardware removal, caulking (sealing joints and seams against leakage) and repainting and finishing, which, if using GYG's advanced scaffolding system, can be done while the vessel is in the water as well as on a quayside or in a dry dock. Superyachts require a major Refit inspection and service every five years to comply with maritime, insurance and industry regulations. Consequently, owners often use the major service periods as an opportunity to repaint their superyachts due to significant cost savings and schedule synergies by combining such activities. Regular paint work is one of the highest single costs of yacht ownership, however it is critical to support the life of the yacht and to maintain an exceptional appearance, especially for those yachts in the fleet which undertake activity in the charter market.

The size and complexity of new superyachts continues to increase; in 2010 the average length of a Pinmar project was 54 metres, today it is close to 80 metres. This presents new challenges for paint applicators especially with respect to time and quality. In response to these challenges, the Group is always at the forefront of innovation and continually works with leading industry partners to introduce market leading technology into our processes such as electrostatic paint application, and ground-breaking new products such as the Awlgrip HDT range and most recently Awlgrip Awlfair Sprayable Filler, a product and application methodology that promises a step change in performance when filling and fairing New Build projects.

The Group's scaffolding brand, Technocraft, pioneered the development of yacht scaffold and containment systems within Europe. The advanced modular construction allows for the entire scaffold structure to be supported by the yacht itself, removing the dependency on floating raft bases when conducting an in-water Refit, which in turn allows for much larger yachts to be repainted in the water. Offering this paint and scaffolding services as a turnkey solution is unique to GYG; Technocraft's ability to facilitate in-water refit enables the Group to work on considerably larger yachts and provides a competitive advantage when pitching and tendering for Refit projects. Technocraft services as part of a Group turnkey Refit solution contribute on average 15-20% to the total contract revenue.

Introduced in 2011, the Pinmar Paint Standard was the industry's first comprehensive statement of how a client's expected paint finish should be measured and agreed. Designed to be universally understood, it remains the most exacting and comprehensive guideline in existence and defines the high standard achievable on Pinmar paint applications.

Prompted both by the entry of new paint manufacturers to the market and changes to the technical formulation and performance of superyacht paint products, the Pinmar Paint Standard 2.0 was launched in 2017 to give Pinmar clients an even better understanding of the quality and performance of their paint work, together with improved peace of mind during the warranty period and beyond.

The Group also offers a global warranty package of up to 24 months on New Build yachts and up to 18 months on Refit work with a unique geographic network of after-sale refit locations on both sides of the Atlantic. Our warranty packages are backed up by product manufacturers and are available with an optional coatings insurance policy which strengthens client confidence and reduces costs and reputational risk for shipyards. In conjunction with the Pinmar Paint Standard we are proud of our recognised high quality of work and have an exceptionally low warranty claims history.

The Group's ability to provide all the above services results in its uniquely placed position to provide a complete turnkey solution across all of our major global hubs. This provides undeniable benefits for the client.

New Build
The Group enjoyed a significant increase in its market share of the higher value New Build segment in 2020 as a direct result of management's successful strategy in 2018 to develop relationships directly with the leading New Build shipyards in Northern Europe and has achieved preferred supplier relationships with a large number of targeted yards.

GYG's geographical New Build market share grows depending on the propensity of shipyards within a given region to focus on large custom projects. Our independent market research estimates that between 2018 and 2022, the German New Build market is projected to deliver 21 projects, with GYG holding a 19.0% market share. When one considers the Dutch market, which has a far more diverse product offering including the full spectrum of sizes, GYG's market share accounts for 5.7% of the 87 projects delivered. When expressed by size ranges rather than geographical regions, GYG holds an estimated 8.9% market share in the 70-90m segment and 24.0% for 90m+ projects delivered or in build between 2018 and 2022.

During 2020, the Coatings division was active on an unprecedented eight New Build projects across Northern Europe, five of which were yachts between 70 metres and 100 metres and three 100 metre+. This record level of New Build work delivered revenues of €13.3m, an increase of 18.8% over 2019 (FY19: €11.2m). Five of these projects have continued into 2021, including the major New Build contract signed in H1 2020 for an 80+ metre yacht in a shipyard new to the Group. In Q2 2021, we will commence work on the previously announced 100+ metre New Build yacht in Europe.

There is plenty of headroom for continued growth both within the shipyards that the Group currently serves and through developing further new relationships with other leading yards. We have successfully recruited the middle management required to sustain an increase in activity across these new yards. The Group has been invited to tender for an increased number of contracts since becoming a preferred paint partner contracted directly by the shipyards, which has resulted in a significant uplift in our win rate and delivered a stronger forward Order Book for New Build in 2021 and beyond, as detailed below.

Refit

The strong sales momentum in Refit from 2019 continued into 2020 with the signing of several major new Refit contracts across our European operational bases.

On 22 October 2020, we announced the signing of a major Refit contract for a 115+ metre yacht in Germany with works started in Q4 2020 and due to complete in H1 2021. This is the Group's largest turnkey project to date where it will provide a number of Refit services including bespoke scaffolding using our unique Technocraft modular system, hardware removal, caulking and complete repainting. The project consisted of 646 tonnes of scaffolding: 531 tonnes for the main structure and an extra 115 tonnes for the roof. We used a unique hard roof rather than a plastic containment, reducing any chances of weather-related impacts or damages. The scale and timeline of this project highlights the Group's ability to deploy its unique turnkey solution efficiently and at scale across Europe.

On 10 December 2020, we announced the signing of another turnkey Refit contract for a 100+ metre yacht scheduled to commence in Europe in 2022. Not only does this repeat business demonstrate our client's satisfaction for the level of service we provide, including the efficient deployment of our unique turnkey solution, but also by signing contracts for work commencing in 2022 it highlights their confidence in the outlook for the industry, further improving management's forward visibility of the Order Book.

The Group generated Refit revenues of €37.4m in 2020, a decrease of 12% against 2019 (FY19: €42.5m). Uncertainty around freedom of movement due to COVID-19 restrictions impacted the normal Mediterranean cruising patterns and led to an increase in Refit work over the summer months, which are traditionally quieter periods for Refit. However, this increase in activity was mitigated by several projects being delayed from Q4 into Q1 2021, with an associated deferral in revenues to be recognised in future periods.

Having a strong, consistent and visible Order Book for Refit, which is consistently growing through repeat business from clients, enables the operations department to plan and control manpower, materials and equipment much more efficiently. As crew members and management teams work across new yachts, this promotes our services to new clients and similarly, as Captains move to new vessels, this too acts as a likely new business stream as they remain loyal to the premium GYG service. With better in-house intelligence afforded to us by the CRM system we can track the vessels in the active superyacht fleet which are approaching the window for Refit work as part of their 5-year maintenance cycle. This allows the commercial department to proactively engage with clients much earlier in the bidding process.

Concentrated efforts to improve the resource utilisation, materials management and information systems made since 2019 are evident in the improved adjusted EBITDA and gross margins recognised in 2020. Several new working practices have been introduced such as setting challenging man-hour budgets using new chronograms and monitoring the project efficiencies weekly to check that stated objectives are being achieved with the manpower stretch. In conjunction with the stretch, we have implemented a stringent manpower planning program. We also move labour from project to project in a very proactive way, reducing downtime so less overall labour is needed each month resulting in significant improvements in efficiency.

SUPPLY DIVISION

2020 was a challenging year for the Supply division, with turnover decreasing by 19.8% to €8.1m (FY19: €10.1m), reflecting the global challenges faced across the retail sector due to the strict COVID-19 restrictions.

During these unprecedented times, similar to all retail outlets, all Pinmar Yacht Supply shops had to completely close for two weeks in April and trading was disrupted for a further two months by only being allowed to operate as 'click & collect' outlets. As such, the Group witnessed a shift from traditional retail and ad hoc purchasing to the adoption of more strategic buying practices, supported by digital communications and transactions. Like most businesses, superyachts are streamlining their supply chain by selecting key suppliers who can provide them a fast, efficient, and personalised service, with direct delivery to the yacht's current or future location. These practices have remained in place after the easing of restrictions, as the advantages became clear to captains, pursers, and fleet procurement managers.

In direct response to this, the Group announced the re-positioning of Pinmar Yacht Supply during 2020 to the superyacht market with a new leadership team, new branding, and better presentation of our retail facilities. The division's focus on direct yacht sales while reducing retail space and consolidating our product lines has seen very positive results. The new Pinmar Yacht Supply branding is now carried across digital media, shops, retail partners, distribution centres and the delivery fleet.

Pinmar Yacht Supply's flagship superyacht retail store inside the MB92 Barcelona yard has undergone a major refresh which enhances the experience for yacht crews. The Mallorca retail stores in Palma and the STP shipyard also underwent substantial improvements to create a better experience for clients and to provide facilities for Pinmar Yacht Supply account managers to meet with superyacht captains and crew to discuss current and future purchasing requirements. The retail stores will continue to service the daily chandlery needs of yachts in Refit, carrying a focused range of key marine brands offering products including paints and varnishes, cleaning consumables and deck maintenance materials and tools.

Through intelligence sharing on our in-house CRM platform and the integration of the Supply services into the sales process of the Coatings division, the Group can provide its customers with ongoing expert product knowledge and advice to secure future supply orders.

The trade business continues to benefit from improvements in account management and business development. A consolidation of warehousing capacity, coupled with organisational changes to purchase and supply chain management, have led to efficiency gains and cost reductions together with improvements in stock management and logistics reflected in the increase in adjusted EBITDA to €1.2m (FY19: €0.9m). We are seeing benefits such as reducing our high stock levels, clearing obsolete stock, and having better efficiency when supplying large orders across a sustained period and reclaiming unused materials from large projects.

We remain optimistic about the prospects for this division in 2021 and beyond as retail adjusts to the new normal and we take advantage of the new strategy with a focus on commercial improvement and delivering value to our customers, with a new leadership team focusing on the servicing of superyachts' purchasing requirements.

OPERATIONAL REVIEW

The implementation of process and system improvements, including IT infrastructure, during 2019 provided a solid foundation to deliver further operational efficiencies in 2020, which has been reflected in our improved adjusted EBITDA margin.

Greater visibility in the Order Book and rigorous monitoring of manpower and asset utilisation rates has improved performance. Manpower is the single highest cost in any contract and the area where management see most ability to improve efficiencies. The rigorous focus on manpower ratios constitutes one of the key drivers behind margin improvement. The Board has seen the benefits of these programmes continue in the first few months of 2021.

In September 2020, the Group signed an exclusive distribution agreement with ALTRAD plettac assco GmbH ("Plettac") to distribute its specialised scaffolding equipment in the USA. This is a significant opportunity for the Group to offer this cutting-edge equipment into one of the world's largest markets, clearly differentiating GYG from other providers in the US, enabling the Group to work on larger yachts and provide its turnkey solution in the US. The scaffolding material arrived in the US at the beginning of the calendar year 2021 and is being used on two projects so far with a good reaction from the shipyards, who are keen to see further roll out of this scaffolding in the future.

GYG continues to develop its human resources function through a combination of structured in-house training programmes and strategic recruitment. We are continuing to strengthen the management team introducing a mix of industry experience and related business expertise and remain comfortable with workload capacity at this current time.

Our IT team continues to work on a programme of system developments to automate business processes, consolidate legacy systems and provide better management information leading to improvements in operational planning and control. The significant upgrade of our core IT infrastructure in 2019 and an investment in video conferencing equipment allowed us to restructure our working practices to minimise the effects of remote working and considerably reduce travel expenditure.

We have successfully adapted our operational model in response to the lessons learnt during the COVID-19 pandemic and continue our ongoing programmes to improve our business processes, systems and infrastructure to support growth and increase the efficiency of the Group.

ENVIRONMENT AND SUSTAINABILITY

During the various lockdowns seen across the world in 2020 it became strikingly apparent the damage being done to our planet, simply by living our daily lives. Whilst large parts of the world were restricted to their homes, we saw wildlife return in huge numbers and a noticeable reduction in pollution levels across all metrices. There is now a real focus on preserving our environment and we are supportive of a sustainability movement in the yachting industry.

The Group has in place an Environmental Management System certified by Lloyds Register following ISO 14001:2015 international standards. We currently have many in-house projects underway to reduce our impact on the environment, with the most recent initiative focusing on replacing all fluorescent and sodium vapour lamps with LED lighting. We refresh our fleet of company vehicles when possible to modern, low emission models, and our paint facility in Palma has switched energy suppliers to one with a 100% certified renewable origin.

We partner with paint manufacturers, equipment manufacturers, and suppliers who are working to improve the industry's attitude to the environment, and our Supply division has responded to customer demand to stock eco-friendly solutions by launching a new refill station with a range of 'green' day-to-day cleaning products from a key supplier, promoting both ecological products and a reduction in single use plastics. We continue to champion innovative technical solutions such as electrostatic paint application, which offers a 60% improvement in paint-transfer efficiency and significantly reduces the potential environmental impact of overspray.

GYG is part of several local business clusters with other key players in the yachting industry across its operations. The cluster based around the La Ciotat Shipyard in France is working to make the shipyard more sustainable through several projects including shared water treatment and waste recycling. Working with our partners at MB92 Group, we are collaborating on two trial projects to further improve our existing extraction and filtration systems with an additional dust chamber to capture any left-over toxic gases. If the trials prove successful, then all future projects at MB92 facilities will employ this method.

As always, we want to be at the forefront of the industry, and we will embrace any positive changes that reduce the Group and wider industry's impact on the environment.

MARKET DEVELOPMENTS

According to data provided by our independent market research in the pre-pandemic environment, 2020 was scheduled to be the most productive year in terms of 40m+ New Build deliveries since 2011 and the equal 4th most productive New Build year in history, while the Refit market expected c.350 yachts to require paint work as part of their 5-year cycle. The reality, however, proved to be very different as significant delays hit the manufacturing process across Europe and labour movement was severely restricted due to health and safety protocols in each country. With that said, the market proved to be far more resilient than historical precedent would have suggested.

In any given year, it is to be expected that the New Build market will fail to deliver around 20% of the projects that were forecast by the builders themselves, as project schedules shift and 'speculation' builds are paused awaiting a buyer. This is based on historical performance and is a robust hypothesis. As such, even without the impact of the pandemic, it is likely that the delivery figures for 2020 would have been closer to 70 units, which is in line with historical precedent and indicative of the market's stability.

In 2020, a total of 54 40m+ superyachts were delivered, a 37.9% decrease from its predicted figure as a direct result of the impact of the pandemic. However, when one compares this to the more realistic figure of 70, a decrease in performance of 22.8% suggests that the market performed surprisingly well in these unprecedented conditions.

As the market recovers, our latest research forecasts a spike in cumulative New Build output in 2021 caused chiefly by the number of delayed project deliveries as a result of the pandemic. The Order Book for deliveries scheduled up to 2025 averages 65 units per annum, a slight increase on the previous five-year average of 63.4. The number of yachts due for Refit paintwork is projected to grow from 2020 to 2025 by an average of 17.7%, with the larger size 70-90m and 90m+ segments (GYG's sweet spot) expected to see the most growth over this time, with 32.0% and 38.5% respectively.

GROWTH STRATEGY

Coatings
We continue to see positive results from our New Build strategy and are confident that our focus on securing preferred supplier status within the key Northern European shipyards remains critical to delivering long-term growth. These yards represent the premium segment of the 70m+ superyacht New Build market and are the most suited to GYG's high quality and technically advanced fairing and painting services, especially as the complexity of ships under construction increases. We have made very good progress in securing preferred supplier relationships with targeted yards that value disciplined project management, high-capacity ability, deliverability, and premium quality craftsmanship. The Group has achieved a significant increase in its market share of this premium market segment with plenty of headroom for continued growth both within the yards it currently serves and through developing targeted new relationships with other leading shipbuilders.

We remain closely aligned to our key Refit shipyard partners and continue to invest in our own facilities and resources to complement the growth at our strategic locations, in line with the ever-growing superyacht fleet and their increasingly demanding Refit programmes. Our Refit strategy of promoting turnkey solutions across our geographic locations utilising our entire portfolio of services is proving attractive to large superyachts, especially those working to tight Refit schedules, who will benefit from the streamlined workflow, efficient decision making, and coordinated after-service and global warranty afforded by our offering.

Our strong relationships with the major fleet management companies continue to evolve as we see an increasing number of our target yachts coming under professional management. Again, our strategy to offer an integrated repair and supply solution to the large managed fleets provides management companies with a unique proposition and integrated solution.

Innovation
Technical innovation lies at the heart of GYG's offering, and the Group continues to innovate and invest in new application technology and training, leveraging its strong relationship with all the main superyacht paint manufacturers. Remaining at the forefront of application technology and quality standards is a key pillar of GYG's unique proposition, particularly to the New Build market.

In 2020, the Group partnered with AkzoNobel, the market leading yacht coatings specialist, to develop and trial the optimal application methodology for its revolutionary new sprayable filler product, Awlgrip Awlfair SF. This advanced new superyacht fairing product, which has been in the development stage for over five years, is applied by pressurised airless spray rather than by hand, which allows for wet-on-wet application and up to two coatings per day without the need for sanding between coats. The spray application also eliminates air pockets, resulting in reduced reworking and improved aesthetics.

This new product marks a significant development for paint applicators as it will provide a step change to the quality of the fairing and will maximise the speed and efficiency of the application process, significantly cutting project lengths. The Group was pleased to announce in December 2020 that this revolutionary technology will be used on two of the Group's New Build projects one of which being M/Y Black Shark, which is being built by the Nobiskrug shipyard in Germany. It is a result of this continued focus on innovation both internally and with industry leading partners which further differentiates GYG, setting it apart from others in the sector.

The Group is also looking to take advantage of the knowledge gained from its extensive experience utilising the electrostatic method for applying topcoat paints. By implementing this application technique during the earlier primer phases of the paint system, which are still applied using the conventional spray method, the benefits of materials savings, improved working conditions, a smoother application and a reduced environmental impact that come from electrostatic application can be realised further into the paint process.

Supply
Our growth plan for the Supply division centres around the recent realignment of Pinmar Yacht Supply's brand and strategy, with greater focus on servicing the evolving purchasing needs of superyachts and extending our service proposition beyond our physical locations so we can capture a greater share of their annual spend.

A key part of the strategy is the collaboration of the Group's Supply division with its Coatings division, with the commercial teams taking a larger role in offering supply services to yachts under refit.

The Group continues to explore potential acquisition opportunities to enable expansion into new markets geographically or into new products and services that complement the Group's existing operations. The current environment looks favourable to identify earnings enhancing growth opportunities across the Group.

CURRENT TRADING AND OUTLOOK
I am delighted that the Group delivered such a commendable 2020 performance in the most extraordinary trading environment that GYG has ever experienced.

Despite these challenges, the Group has experienced a strong start to 2021 with Q1 revenues 21% ahead of Q1 2020. Yacht owners are keen to return to a more normal cruising/charter season in 2021 and are taking a 'prepare now, enjoy later' approach which has led to a high number of Refit contracts in Q1 which we expect will continue into Q2. In addition, the market fundamentals remain strong and our record Order Book provides better visibility, facilitates efficient planning, and gives us confidence for further market share gains in the year ahead.

The Total Order Book at 31 March 2021 stands at €41.1m which is 15% ahead of the same point in the prior year (31 March 2020: €35.6m). The Order Book for 2021 is currently €24.5m which is a 41% increase when compared to 31 March 2020 Order Book of €17.4m.

Order Book at:	**Total Order Book**	**Current Year**	**Forward Order Book**
31 March 2019	€38.8m	€16.7m	€22.1m
31 March 2020	€35.6m	€17.4m	€18.3m
31 March 2021	€41.1m	€24.5m	€16.6m*

** Forward Order Book represents orders scheduled for completion in 2022 onwards*

Looking ahead, as previously reported, we have seen a significant uplift in the volume of New Build contracts won by the Group, in addition to the expected flow of Refit projects. These larger, higher value New Build contracts provide further evidence of the Group's growing market share and will bring a greater degree of revenue visibility as well as being a driver for medium-term growth.

The Group has successfully implemented adjustments to its operating protocols enabling it to continue production safely and efficiently in the new paradigm. It has emerged from a difficult 2020 with solid momentum and is well placed to fulfil its strong Order Book and deliver sustainable long-term growth.

Remy Millott
Chief Executive Officer

<u>FINANCIAL REVIEW</u>

FINANCIAL PERFORMANCE

Year ended 31 December 2020	**Coatings**	**Supply**	**Total reportable segments**
	€000	**€000**	**€000**
Revenue	50,760	8,138	58,898
Adjusted EBITDA	4,216	1,181	5,163

Year ended 31 December 2019	**Coatings**	**Supply**	**Total reportable segments**
	€000	**€000**	**€000**
Revenue	53,718	10,109	63,827
Adjusted EBITDA	3,628	880	4,508

Revenue in the year ended 31 December 2020 decreased 7.7% to €58.9m (FY19: €63.8m). This was driven by a 5.4% decrease in turnover in the Coatings division and a 19.8% decrease in the Supply Division. Having started 2020 with the strongest Order Book in the Group´s history, the decrease in revenue reflects the impact of COVID pandemic on Group trading. Within Coatings, no contracts were lost or cancelled due to the pandemic but a number of projects suffered delay in completion and a number of new projects started later than originally scheduled. In Supply, trading was restricted when the lockdowns which occurred in Spain during the early stage of the pandemic forced the closure of the Group´s retail outlets and our ability to deliver products directly to customers was limited by restrictions in the haulage sector.

As a result of increased operating efficiencies and the decrease in revenue, operating costs (not including exceptional items, impairment, performance share plan costs, depreciation and amortisation), decreased by 7.8% from €62.6m in FY19 to €57.7m in FY20. The Group´s operating margins began improving in 2019 and this improvement continued throughout 2020, resulting in:

- an operating profit of €1.2m in the year (FY19: €1.3m);
- an adjusted EBITDA of €5.2m (FY19: €4.5m); and
- a net profit, excluding exceptional items, impairment and performance share plan costs, for the year of €1.4m (FY19: €1.1m).

The exceptional items of €1.0m in the year (FY19: €0.3m) related principally to additional costs incurred directly as a result of the pandemic. These costs are described in greater detail in the Covid Report. Additionally, there were some restructuring costs as part of a cost saving plan. These arose as the Group reorganised parts of its operations in response to the pandemic and to ensure that the Group was more resilient post pandemic.

Financial expenses of €1.1m in the year (FY19: €0.8m) mainly related to interest on the syndicated loan signed in March 2016, various working capital facilities, finance leases and foreign exchange rate.

EARNINGS PER SHARE AND DIVIDENDS

Net profit for the year was €0.3m (2019: €0.7m). Profit per share was €0.00 (FY19: €0.02 per share) and adjusted basic profit per share was €0.07 (FY19: €0.06).

Basic earnings/(losses) per share are calculated by dividing net profit/(loss) for the year attributable to the Group (i.e. after tax and non-controlling interests) by the weighted average number of shares outstanding during that year.

Diluted earnings/(losses) per share have been calculated on a similar basis taking into account dilutive potential shares.

Adjusted basic earnings are presented to eliminate the effect of the exceptional items, amortisation and impairment of intangible assets, gains on financial instruments and performance share plan costs (considering the tax effect of these adjustments).

	Year ended 31 December 2020	**Year ended 31 December 2019**
Earnings for the period attributable to shareholders (€000)	252	753
Weighted average number of shares	46,640,000	46,640,000
Basic earnings per share (€)	0.00	0.02
Adjusted basic earnings per share (€)	0.07	0.06
Dilutive weighted average number of shares	47,987,728	47,777,975
Diluted earnings per share (€)	0.00	0.02
Adjusted diluted earnings per share (€)	0.07	0.06

The Board believed it was in the best interest of the Company not to pay a dividend in relation to FY20, however, it is the Board's intention to return to the dividend list at the earliest appropriate opportunity.

FINANCIAL POSITION

Cash and cash equivalents totalled €3.6m at 31 December 2020 compared to €5.5m as at 31 December 2019. The decrease year on year was driven principally by the delay to revenues from 2020 into 2021 and the increased pressure on working capital amongst clients and suppliers. As a result, the net debt as at 31 December 2020 was €11.8m, compared to €8.2m as at 31 December 2019.

Total net assets on the balance sheet were €13.6m as at 31 December 2020, compared to €13.3m as at 31 December 2019.

SUBSEQUENT EVENTS

On 12 April 2021, the Group was informed that Nobiskrug shipyard in Germany, where it was working on three projects, had entered into an insolvency process to allow it to restructure itself. The Group´s existing financial exposure to this yard at the time of this announcement was €2.8 million (excluding VAT). Subsequent discussions with the ultimate owners of the projects in this yard lead the Directors to remain confident that the projects will all be completed and most, if not all, of the outstanding amount will be recovered in due course. That having been said, there is a material risk that the Group may need to write off some part of this balance.

CASH FLOW

Net cash from operating activities was €0.3m for the year (FY19: positive €2.9m). Net cash used in investing activities was €3.4m for the year (FY19: €0.7m). Net cash used in financing activities was €1.2m for the year (FY19: negative €1.8m) mainly corresponding to the repayment of existing borrowings and finance leases.

Overall net cash inflow for the year was €1.9m compared to €0.5m for FY19.

FINANCIAL OUTLOOK

As set out in the Chief Executive´s Report, the Directors are confident about the Group´s prospects going forward. That having been said, the uncertainty surrounding the future evolution of the COVID pandemic is significant and is discussed in detail in the notes to the accounts. For this reason, the audit opinion in the 2020 accounts contains an emphasis of matter in respect of going concern as it relates to a change of ownership risk and severe but plausible downside risk although the audit opinion will remain unqualified.

In March 2021, the Group amended its borrowing facilities with its existing lenders. Under the terms of the amended agreement, Facility B, which was due to be repaid in March 2021, is now repayable in four tranches of €1.0 million starting in June 2021 and ending in December 2022. Facility A was repaid in early April 2021. As part of the amendment, an additional €1.0 million of revolving credit, factoring and discounting facilities were made available to the Group.

As things stand today, the Directors are confident of the Group´s ability to trade successfully through this going forward but, like all businesses, we are operating in a rapidly changing environment with a material element of unknown risk.

Kevin McNair

Chief Financial Officer

COVID-19 REPORT

In Q1 of 2020, the COVID pandemic rapidly spread across Europe and the US. The Group developed a strategy for responding to the pandemic based on three pillars:

- Looking after the health and wellbeing of our staff,
- Working with our clients and suppliers to ensure that we were able to continue delivering high quality products and services in a challenging and dynamic environment, and
- Reshaping our business and reducing costs to give us the flexibility required to respond to the pandemic and rapidly changing commercial situation.

Each of the countries where we operate was impacted in different ways based on the timing and speed of the pandemic and the response of local government and the shipyards where we work. What was relatively consistent across all sites was the actions we took within each of the pillars.

Health and wellbeing of our staff

- Immediately implementing government regulations and guidelines with respect to sanitation, social distancing and travel restrictions
- Providing training on best practice as it evolved and personal protective equipment to all staff
- All staff who could realistically work from home did followed by an ongoing move back into the offices with new attendance patterns
- Regular communication with staff on safety protocols, changes in the structure and operations of the Group
- Access to testing facilities as well and physical and mental health support
- Recruiting additional Health & Safety staff to help protect staff both within our offices and within client environments

Working with our clients and suppliers

- Working with clients and suppliers to implement new safety protocols and share best practice
- Rescheduling or adapting travel and production plans in response to the restrictions and social distancing requirements
- Addressing logistical challenges as airlines, ports and hauliers altered, reduced or suspended services
- In the supply division, moving away from a traditional retail model to a more flexible fulfilment model which could operate under the harshest lockdown restrictions

Restructuring and cost reduction

- Cost of living increases and bonuses for the period suspended

- Production and supply activities suspended in response to regulatory changes or client requirements
- Utilising, where available, COVID related government support programmes to maintain employment levels
- Investment projects delayed until greater clarity was possible in terms of the medium term impact
- Office and retail footprint reduced significantly
- Recruitment plans postponed until H2 2020

Financial impact

Although the Directors are confident that the Group responded rapidly and effectively to the evolving pandemic, there were still material financial impacts on the Group during the period. GYG entered 2020 with the strongest Order Book in its history but the onset of the pandemic led to significant delays in ongoing projects and the starts of other projects were postponed and owners of vessels and shipyards responded in their own fashion. The Coatings division did not lose any contracts as a result but the Directors believe that between €4 million and €6 million of revenue shifted from 2020 into 2021.

On the cost side of the equation, the Group incurred significant additional costs as it responded to the pandemic and the changes in operating practices. Some of those costs were new or additional costs that were specifically related to COVID such as PCR testing, specialised cleaning services or additional PPE for all staff.

Other existing costs increased significantly due to new safety protocols. A good example of that is the requirement for us to move and house workers who were travelling on a socially distanced basis. Rather than moving four employees in a rental car from one country to another, we could only move two people per vehicle. At different times, we would have to quarantine our own staff or subcontractors for anywhere from five days to two weeks before they could enter certain countries or work in certain shipyards.

Lastly, there was a loss of efficiency in certain parts of the Group resulting from new safety practices. In many shipyards, our workers were required to have their temperatures taken each day before a shift started. Social distancing restricted the numbers of workers we could have within any enclosed environment at one time.

All in, the Directors believe that the total costs included in these three different categories come to approximately €1.5 million during the year. Of this figure, €0.8 million was included in exceptional items within the financial statements. The balance was treated as ordinary operating expenses for the year.

Moving forward, the Group is in a strong position to deal with the ongoing pandemic. Barring any unforeseen developments, the impact of COVID on the Group´s financial results should not be significant. With advanced planning and careful management many of the costs incurred in 2020 can either be avoided or covered through revised contractual arrangements. The ongoing rollout of the various vaccines which are available will also hopefully reduce the impact of the pandemic on operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Note(s)	Year ended 31 December 2020 € 000	Year ended 31 December 2019 € 000
Continuing operations			
Revenue	4	58,898	63,827
Operating costs		(57,665)	(62,568)
Adjusted EBITDA		5,163	4,508
Depreciation and amortisation	12,13	(2,995)	(2,808)
Performance share plan	23	90	(108)
Exceptional items	6	(1,025)	(333)
Operating profit	**5**	**1,233**	**1,259**
Gain on financial instruments	22	-	379
Finance costs - net	9	(1,050)	(810)
Profit before tax		**183**	**828**
Tax	10	69	(145)
Profit for the period		**252**	**683**
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		57	(33)
Total comprehensive profit / (loss) for the period		**309**	**650**
Profit / (loss) for the period attributable to:			
Owners of the company		252	753
Non-controlling interest		-	(70)
Total comprehensive profit / (loss) for the period attributable to:			
Owners of the company		309	720
Non-controlling interest		-	(70)
Earnings per share for profit attributable to the ordinary equity holders of the company €	**11**		
Basic		0.00	0.02
Diluted		0.00	0.02

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	2020 € 000	2019 € 000
ASSETS			
Non-current assets			
Goodwill	12	9,270	9,350
Other intangible assets	12	10,096	10,448
Property, plant and equipment	13	11,169	10,353
Other financial assets	24	197	144
Deferred tax assets	10	429	508
Total non-current assets		**31,161**	**30,803**
Current assets			
Inventories	14	3,129	2,535
Other financial assets		6	-
Trade and other receivables	15	11,070	7,999
Current tax receivable	15	687	657
Cash and cash equivalents	16	3,600	5,529
Total current assets		**18,492**	**16,720**
TOTAL ASSETS		**49,653**	**47,523**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	2020 € 000	2019 € 000
Current liabilities			
Trade, deferred income and other payables	18	(15,724)	(15,176)
Current tax liabilities	18	(2,407)	(2,292)
Obligations under leases	17	(2,035)	(1,571)
Borrowings	17	(9,789)	(5,062)
Provisions	19	(356)	(468)
Derivative financial instruments	24	(2)	(14)
Total current liabilities		**(30,313)**	**(24,583)**
Net current liabilities		**(11,821)**	**(7,863)**
Non-current liabilities			
Obligations under leases	17	(904)	(2,184)
Borrowings	17	(2,572)	(4,915)
Deferred tax liabilities	10	(2,359)	(2,555)
Long-term provisions	19	(19)	(19)
Total non-current liabilities		**(5,854)**	**(9,673)**
Total liabilities		**(36,167)**	**(34,256)**
Net assets		**13,486**	**13,267**
EQUITY			
Share capital	20	106	106
Share premium		7,035	7,035
Retained earnings		5,959	5,707
Translation reserve		(13)	(70)
Capital redemption reserve		114	114
Share based payment reserve		285	375
Equity attributable to owners of the Company		**13,486**	**13,267**
Total equity	**20**	**13,486**	**13,267**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	Share capital € 000	*Share premium € 000*	*Retained earnings € 000*	*Translation reserves € 000*	*Capital redemption reserve € 000*	*Share based payment reserve € 000*	*Total € 000*	*Non-controlling interests € 000*	*Put option reserve € 000*	*TOTAL EQUITY € 000*
Balance at 1 January 2019	**106**	**7,035**	**5,894**	**(37)**	**114**	**267**	**13,379**	**93**	**(963)**	**12,509**
Acquisition of non-controlling interest (note 21)	-	-	(940)	-	-	-	(940)	(23)	963	-
Credit to equity for share based payments	-	-	-	-	-	108	108	-	-	108
Transactions with owners in their capacity of owners	**-**	**-**	**(940)**	**-**	**-**	**108**	**(832)**	**(23)**	**963**	**108**
Profit/(loss) for the year	-	-	753	(33)	-	-	720	(70)	-	650
Total comprehensive profit/(loss) for the period	**-**	**-**	**753**	**(33)**	**-**	**-**	**720**	**(70)**	**-**	**650**
Balance at 31 December 2019	**106**	**7,035**	**5,707**	**(70)**	**114**	**375**	**13,267**	**-**	**-**	**13,267**
Charge to equity for share based payments	-	-	-	-	-	(90)	(90)	-	-	(90)
Transactions with owners in their capacity of owners	**-**	**-**	**-**	**-**	**-**	**(90)**	**(90)**	**-**	**-**	**(90)**
Profit for the year	-	-	252		-	-	**252**	-	-	**252**
Other comprehensive income for the period	-	-	-	57	-	-	57			57
Total comprehensive income for the period	**-**	**-**	**252**	**57**	**-**	**-**	**309**	**-**	**-**	**309**
Balance at 31 December 2020	**106**	**7,035**	**5,959**	**(13)**	**114**	**285**	**13,486**	**-**	**-**	**13,486**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2020

	Note	2020 € 000	2019 € 000
CASH FLOWS FROM OPERATING ACTIVITIES (I)	22	**(104)**	**2,960**
- Purchase of intangible assets		(599)	(82)
- Purchase of property, plant and equipment		(2.786)	(739)
- Acquisition of other investments		(53)	-
- Proceeds from disposal of property, plant and equipment		3	92
CASH FLOWS USED IN INVESTING ACTIVITIES (II)		**(3,435)**	**(729)**
- Proceeds from obligations under leases		745	-
- Proceeds from bank borrowings and credit facilities		4,206	2,925
- Repayment of obligations under leases		(1,505)	(1,631)
- Repayment of borrowings		(1,836)	(2,927)
- Payments to acquire shares from non-controlling interests		-	(167)
CASH FLOWS USED IN FINANCING ACTIVITIES (III)		**1,610**	**(1,800)**
Effect of foreign exchange rate changes (IV)		**-**	**29**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		**(1,929)**	**460**
Cash and cash equivalents at the beginning of the year		5,529	5,069
Cash and cash equivalents at the end of the year		3,600	5,529

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. General information

GYG plc (hereinafter the "Company") was incorporated on 11 February 2016, as a private company limited by shares, as Dunwilco 2016 Limited under the United Kingdom Companies Act 2006. Subsequently, on 21 May 2016, the Company's corporate name was changed to Global Yachting Group Limited, on 25 May 2017 to GYG Limited, on 22 June 2017 the Company re-registered as a public limited company and on 5 July 2017 the Company completed an Initial Public Offering ("IPO") and was admitted to the AIM Market of the London Stock Exchange. The address of the registered office is Cannon Place, 78 Cannon Street, London EC4N 6AF, United Kingdom.

The principal activity of the Group is superyacht painting, supply and maintenance, offering services globally through operations in the Mediterranean, Northern Europe and the United States.

These consolidated financial statements are presented in Euro which is the currency of the primary economic environment in which the Group operates.

2. Significant accounting policies

2.1. Basis of preparation

These consolidated financial statements were prepared by the Board of Directors in accordance with the application of International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006 and the interpretations issued by the IFRS Interpretations Committee (IFRS IC).

The consolidated financial statements have been prepared under the historical cost convention unless indicated otherwise in the notes to the consolidated financial statements.

The principal accounting policies adopted are set out and have been applied consistently.

2.2. Adoption of international financial reporting standards

In the current year, IFRS 1, IFRS 3 and IFRS 9 amendments are effective from 1 January 2020 but they do not have a material effect on the Group's financial statements.

In the year 2019, the Group adopted the amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatory effective for an accounting period that begins on or after 1 January 2019, none of which had a significant effect on the results or net assets of the Group, except for the following:

IFRS 16 "Leases"

IFRS 16 is the IASB's replacement of IAS 17. Its application is effective for reporting periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Leases are 'capitalised' by recognising the present value of the lease payments and showing them as a right-of-use asset either separately or together with property, plant and equipment (criteria applied by the Group). IFRS 16 replaces the straight-line operating lease expense for those leases applying IAS 17 with a depreciation charge for the lease asset (included within operating costs) and an interest expense on the lease liability (included within finance costs). The Group has applied the standard from its mandatory adoption date of 1 January 2019, using the modified retrospective approach and measuring the asset at an amount equal to the present value of the remaining lease payments discounted using an incremental borrowing rate, adjusted by the amount of any prepaid or accrued lease payments and no adjustment has been registered to the opening balances of retained earnings.

The Group has applied the below practical expedients permitted under the modified retrospective approach:

- Exclude leases for measurement and recognition for leases where the term ends within 12 months from date of initial application.
- Apply a single discount rate (incremental borrowing rate) to a portfolio of leases with similar characteristics, based on current rates paid to comparable borrowings.

The impact on the balance sheet as of 1 January 2019 for the adoption of IFRS 16 is summarised as follows:

	IFRS 16 adoption effect
	€ 000
Non-current assets: Property, plant and equipment - Right of use asset	2,859
Current liabilities: Lease liabilities	(758)
Non-current liabilities: Lease liabilities	(2,102)

2.3. Going concern

These financial statements have been prepared on a going concern basis, which assumes the Group and parent company will continue to be able to meet their liabilities as they fall due, for at least 12 months of the date of approval of these financial statements.

The Group has a strong Order Book, and contracted revenue for 2021 in excess of €40m, and initial performance during January and February 2021 has been positive with revenue and EBITDA ahead of our base case forecasts.

The Group meets its day-to-day working capital requirements from cash flows generated from operations and banking facilities.

During the year the Group has undertaken the following in terms of its borrowing facilities:

- In June 2020, the Group entered into an additional new €3 million bank facility with its existing banking Group. These new facilities have a grace period of 12 months, followed by 48 monthly instalments to repay the facility. There are no covenants attached to this facility.
- In March 2021, the Group settled one of its loan agreements with a final payment of €0.9m.
- The existing bank borrowings amount to €4m, which were due for repayment in March 2021. This facility was renegotiated in March 2021 extending the facility to December 2022, requiring four €1m payments every six months commencing in June 2021. There are covenants attached to this facility.

In evaluating the going concern assumption, management prepared a base case profit and loss and cash flow forecasts to June 2022 (the going concern assessment period), including assessing compliance with borrowing covenants. This forecast based upon the strong contracted Order Book, demonstrates good levels of cash flow headroom and covenant compliance throughout the going concern window. The forecasts include a number of material assumptions, the most significant relating to winning new revenue contracts, the forecasting of the timing the work will be undertaken and the margin that will be achieved on these contracts.

Management have also prepared two severe but plausible downside scenarios, including a c.7% reduction in revenue and a 2% reduction in margin. Under both scenarios, if management took no further action the Group would continue to have sufficient cashflow headroom throughout the going concern assessment period, but the scenarios indicate potential breaches in borrowing covenants.

Management have then overlaid a number of actions within their control they could undertake if business performance was in line with the severe but plausible downside, these include not paying discretionary bonuses, reducing or delaying capital expenditure and delaying the payment of creditors. If management undertook these actions in these severe but plausible downside scenarios, it would result in headroom over the borrowing covenants throughout the going concern window.

In addition, the recent news of the customer Nobiskrug filing for insolvency, as referenced in the Financial Review, increases the risk of revenue delays or cancellation and potential bad debt exposure. Depending on the outcome of the insolvency, these factors taken into account with a severe but plausible downside could result in a breach of covenant that may not be mitigated by management actions. A breach of covenant is an event of default, and would require management to seek a waiver from the Group´s lenders, renegotiate the facilities with those lenders or repay the group's existing lenders and seek sources of alternative funding.

As referenced in the Chairman's Statement, the Group have received an unsolicited approach from one of the Group's major shareholders. The notice indicated that the shareholder is in the preliminary stages of evaluating a possible offer for the entire issued share capital of the business. The Directors have assessed the possible offer which does not constitute a firm intention to make an offer, and have reviewed the potential impact on the Group's going concern assessment if the offer were to progress and complete before June 2022. The Group's main borrowing facility amounting to €4m, includes a change of ownership clause, and if the Group's ownership were to change this would require the Group to seek a waiver for this clause or to repay or refinance these borrowing facilities. If a refinancing were required, the facilities could be under different terms and conditions from the existing facilities.

Given the information available, current trading and orders being received, the Directors are confident that the forecasts will be met, and sufficient liquidity will be available to meet liabilities as they fall due and meet covenant compliance, and therefore believe it is appropriate to prepare the financial statements on a going concern basis. However, these forecasts for which covenant compliance is assessed, include a number of significant assumptions with regards to winning new customer contracts, the forecasting of timing work will be undertaken and the margin that will be achieved on these contracts. In addition, if the Group's ownership structure were to change which would trigger the need for refinancing, the Group may not have sufficient cash resources to settle the borrowing facility if it were not refinanced, or may not be able to adhere to any changes in terms and conditions of new facilities. These factors indicate the existence of material uncertainties which may cast significant doubt as to the Group's and parent company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and parent company were unable to continue as a going concern.

2.4. Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (and its subsidiaries) made up to 31 December each period.

Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation process.

2.5. Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquire. Acquisition-related costs are recognised in profit or loss as incurred.

The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date.

2.6. Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful economic lives. The estimated useful economic life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful economic lives that are acquired separately are carried at cost less accumulated impairment losses.

Computer software is valued at acquisition cost, amortisation is registered as a function of the useful economic life determined between 3 and 5 years.

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquisition and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (''CGUs'') expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Order backlog has an estimated useful economic life of less than one year. Customer relationships and brands have an estimated useful economic life of 15 years.

Derecognition of intangible assets

An Intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.7. Revenue recognition

The Group recognises revenue based on the consideration to which the Group expects to be entitled in a contract with a customer and following the five-step model defined by the IFRS 15:

- Step 1: Identify the contract with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contracts.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognises revenue from the following activities:

Rendering of services

Revenue is recognised for these services based on the stage of completion. The directors have assessed that the stage of competition of a contract is determined as follows:

- Revenue is recognised by reference to the stage of completion of the refit or new build project, determined as the proportion of the total time expected on the project that has elapsed at the end of the reporting period;
- revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred; and
- servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold.
- This is considered a faithful depiction of the transfer of goods and services to the customer as the contracts are initially priced on the basis of anticipated costs to complete the projects and therefore also represents the amount to which the Group would be entitled based on its performance to date.

This input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations established in the contract under IFRS 15.

Sale of goods

The Group sells maintenance materials, consumables, spare parts and equipment to customers through its retail outlets as well as shipping products. For sales of such products to retail customers, revenue is recognised when control of goods has transferred, being at the point the customer purchases the goods at the retail outlet or when the goods have been shipped to the specific location.

2.8. Leases

The group leases various offices, warehouses and equipment.

As indicated in note 2.2 above, the Group has adopted IFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting year, as permitted under the specific transition provisions in the standard.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate is used, being the rate that it would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Until 31 December 2018, leases were classified as finance leases whenever the terms of the lease transferred substantially all the risks and rewards of ownership to the Group. All other leases were classified as operating leases.

Assets held under finance leases were recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor was included in the balance sheet as obligations under finance leases.

Rentals payable under operating leases were charged to the consolidated statement of comprehensive income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2.9. Exceptional items

Certain items are presented in the Consolidated Statement of Comprehensive Income as exceptional where, in the judgement of the Directors, by virtue of their nature, size or incidence, in order to obtain a clear and consistent presentation of the Group's underlying business performance they need to be disclosed separately. These are items that fall outside the normal day to day operations of the business and the Directors believe are unlikely to ever occur again. Examples of items which may give rise to disclosure as exceptional items include restructuring costs if the restructuring involves a fundamental change to the Group´s business model and transaction fees if the transaction involves a significant change to the structure or investment case for the Group. See note 6 for further details.

2.10. Adjusted EBITDA

Adjusted Earnings before Interest, Taxation, Depreciation and Amortisation ("Adjusted EBITDA") is a non-IFRS measure used by Directors to assess the operating performance of the Group.

The "Adjusted EBITDA" is also used as a metric to determine management remuneration as well as being measured within the financial covenants calculations.

"Adjusted EBITDA" is defined as operating profit before depreciation and amortisation, impairment, performance share plan and exceptional items.

As a non-IFRS measure, the Company's calculation of "Adjusted EBITDA" may be different from the calculation used by other companies and therefore comparability may be limited.

2.11. Foreign currency

For the purpose of presenting these financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used.

At each period end date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the rates prevailing on the period end date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities, except for exchange differences arising on changes in in fair value of non-monetary assets and liabilities that are recognised directly in equity.

2.12. Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

2.12.1. Current Tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

The Spanish subsidiaries group companies, are included in a consolidated tax return within fiscal group under Spanish regulation.

2.12.2. Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the consolidated statement of comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.13. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost of assets (other than land and assets under construction) less their residual values over their useful economic lives, using the straight-line method in the following bases:

	Useful economic lives (years)
Property	10 – 33
Plant and equipment	3 – 10
Other plant, tools and furniture	4 - 10
Other tangible assets	3 – 20

The estimated useful economic lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.14. Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2.15. Inventories

Inventories are stated at the lower cost and net realisable value. Costs of inventories are determined on weighted average price basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.16. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.17. Financial assets

The Group classifies its financial assets as those to be measured at amortised cost.

Recognition and derecognition

Sales of financial assets are recognised when the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs that are directly attributable to the acquisition of the financial asset are included in the fair value initial assessment of fair value.

Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The group holds trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.18. Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is equal to their fair value.

2.19. Loans and receivables – long term

Loans and receivables – long term are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate.

Financial liabilities

Financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derivative financial instruments

The Group enters into interest rate swaps to manage its exposure to interest rate and foreign exchange rates risks.

Derivatives are initially recognised at fair value at the date derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Fair value measurement

All financial instruments for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.20. Related party transactions

The Group performs all its transactions with related parties on an arm's length basis. The Group carries out all its related-party transactions (financial, commercial or otherwise) by setting transfer prices stipulated by the OECD to regulate transactions with subsidiaries.

2.21. Consolidated cash flow statements

In these financial statements cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

The consolidated cash flow statements have been prepared using the indirect method and the terms used are defined as follows:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

- Operating activities: the principal revenue-producing activities of the entities composing the consolidated Group and other activities that are not investing or financing activities.

- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents, if they have a direct impact on current cash flows.

- Financing activities: activities that result in changes in the size and composition of the equity and liabilities that are not operating activities, if they have a direct impact on current cash flows.

2.22. Share-based payments

Equity-settled share-based payments to employees and other entities are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market vesting conditions. Details regarding the determination of the fair value of equity-settled share-based payments are set out in note 24.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group´s estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the counterparty renders the service.

2.23. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received. Grants that compensate the Group for expenses incurred are recognised in the Income statement in the relevant financial statement caption on a systematic basis in the periods in which the expenses are recognised.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Information on the funding position and going concern assessment of the Group is set out in the detail in the Section "Going Concern".

3.2 Key sources of estimation uncertainty

The accounting for long term contracts requires management to apply judgement in estimating the total revenue and total costs expected on each project and also to estimate the stage of completion. Such estimates are revised as a project progresses to reflect the current status of the project and the latest information available to management. Project management teams perform regular reviews to ensure the latest estimates are appropriate.

3.2.1 Revenue recognition

Revenue from contracts to provide services is recognised by reference to the stage of completion of the contract, determined as the proportion of the total labour hours expected to provide the service that have elapsed at the end of the reporting period. This requires the Directors to estimate labour hours to complete, based on the Company's experience and professional judgement.

A 1% decrease in margin on each ongoing long-term contract would change the balance of contract assets/contract liabilities by €614k.

3.2.2 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value,

The key assumptions for determining the value in use include the pre-tax discount rate, which has been estimated at 16.25% for the goodwill registered for each of the Coatings and Supply segments (and at

17.25% for ACA Marine, SAS) and a long-term growth rate of 3.0%. These estimates, including the methodology used, may have a significant impact on the registered values and impairment losses. Management has concluded that the estimated growth rate used does not exceed the average long-term growth rate for the relevant markets where the group operates (Europe and USA). Following the impact of the COVID pandemic over the past several months, Management are comfortable that these assumptions are still reasonable. (see note 12)

4. Segment information

The Groups reportable segments are determined by the internal reporting regularly provided to the Group's Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The Board of Directors has determined that, based on the Group's management and internal reporting structure, the Group has two reportable segments, Coatings – the provision of painting and other finishing services to yachts and superyachts and Supply – the distribution of yachting supplies to trade and other customers.

Any transaction between reportable segments is performed on an arm's length basis.

4.1. Business segments

Segment information about the above businesses is presented below for the year ended 31 December 2020 and 2019:

Year ended 31 December 2020

	Coatings	***Supply***	***Total reportable segments***
	€ 000	***€ 000***	***€ 000***
Revenue	50,760	8,138	58,898
Gross Profit	15,845	2,302	18,147
Adjusted EBITDA	4,033	1,130	5,163
Depreciation and amortisation			(2,995)
Performance share plan			90
Exceptional items			(1,025)
Operating Profit			**1,233**
Finance costs			(1,050)
Profit before tax			**185**

Year ended 31 December 2019

	Coatings	Supply	Total reportable segments
	€ 000	**€ 000**	**€ 000**
Revenue	53,718	10,109	63,827
Gross profit	12,731	2,254	14,985
Adjusted EBITDA	3,628	880	4,508
Depreciation and amortisation			(2,808)
Performance share plan			(108)
Exceptional items			(333)
Operating profit			**1,259**
Gain on financial instruments			379
Finance costs			(810)
Profit before tax			**828**

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

At 31 December 2020 and 2019 the Group has the following specific assets allocated to the business segments:

31 December 2020

	Coatings	*Supply*	*Total reportable segments*
	€ 000	***€ 000***	***€ 000***
Goodwill	8,422	848	9,270
Inventories	814	2,315	3,129
Trade and other receivables	10,436	1,320	11,757
Trade, deferred income and other payables	(14,548)	(3,584)	(18,131)

31 December 2019

	Coatings	Supply	Total reportable segments
	€ 000	**€ 000**	**€ 000**
Goodwill	8,502	848	9,350
Inventories	157	2,378	2,535
Trade and other receivables	7,493	1,163	8,656
Trade, deferred income and other payables	(14,041)	(3,427)	(17,468)

Assets, including PPE and certain intangibles, are used across the Group and are not, therefore, attributable to any specific segment.

4.2. Geographical location

Revenues from external customers attributed to the Group's country of domicile and attributed to foreign countries from which the Group derives revenue is presented below.

	Year ended 31 December 2020	Year ended 31 December 2019
	€ 000	***€ 000***
Spain	25,148	31,434
United Kingdom	628	128
Rest of Europe	24,239	23,659
Rest of World	8,883	8,606
	58,898	**63,827**

At 31 December 2020 the Group has non-current assets allocated to Europe and "Rest of the World" for an amount of €29,415 thousand and €1,986 thousand, respectively (€28,591 thousand and €2,212 thousand, respectively, at 31 December 2019).

4.3. Information about major customers

There are no revenues from transactions with individual customers which contribute 10% or more to the Group's revenue for the period ended 31 December 2020. For the year ended 31 December 2019 there was one relevant customer whose revenues contributed 10% or more to the Group's revenue, related to the Coatings segment and representing a total amount of €7,636 thousand.

5. Operating profit

Operating profit has been arrived at after crediting/(charging):

	Year ended 31 December 2020	Year ended 31 December 2019
	€ 000	***€ 000***
Net foreign exchange (losses) / gain	(15)	27
Depreciation of property, plant and equipment	(1,996)	(1,861)
Amortisation of intangible assets	(969)	(947)
Leases (see note 13)	(883)	(285)
Gain / (losses) on disposals	38	209
Impairment on trade receivables	(32)	(76)
Cost of materials	(11,341)	(12,776)
Staff costs (see note 8)	(20,400)	(20,678)

6. **Exceptional items**

	Year ended 31 December 2020	Year ended 31 December 2019
	€ 000	**€ 000**
Covid -19	(812)	-
Restructuring costs	(213)	(333)
	(1,025)	**(333)**

Excluding the impact of the exceptional items shown above, the operating profit for 2020 was € **2,258** million.

Covid-19

During 2020, the Group incurred significant costs that were a direct result of the COVID pandemic. These costs fall into three broad categories: new costs, incremental employee related costs and additional non-employee costs. The Group also benefited from a government backed program in the USA. These COVID related costs and benefit have been treated as exceptional.

The Group´s workforce is highly mobile, regularly moving between countries, shipyards and ships, mingling with significant numbers of other people, and working in close proximity. The pandemic meant that they operate in an environment where there were significant new burdens in terms of personal protective equipment, social distancing and testing. Travel was significantly disrupted and then affected by the varying social distancing measures required by different countries and shipyards.

<u>New costs</u>

In response to the pandemic, the Group incurred new costs for products and services that it had to procure which were not part of ordinary trading. These included testing (PCR, lateral flow, blood tests, etc.), PPE for the parts of the workforce that had not previously required it, screens to provide protective environments within offices and other workplaces. Environmental cleaning services intended to sterilize work areas were utilised in certain environments. These costs totalled €105,438 during 2020.

<u>Additional workforce costs</u>

The largest impact on employee related costs during 2020 was driven by the use of quarantine to try and reduce infection rates. The Group´s highly mobile workforce was required to regularly quarantine upon entering a country, before entering a shipyard or upon returning to Spain. Positive tests for infection of one team member frequently led to whole teams being quarantined for up to two weeks. In these scenarios the company was required to bring in additional flexible labour to maintain production schedules while employees and existing sub-contractors were quarantined. To mitigate the costs of quarantine, the Group offered incentives to employees while travelling to stay abroad for longer periods and avoid having to quarantine as frequently.

The overall impact of these employee related costs was an increase in manpower of €425,696. This does not include the costs of employees who became ill with COVID which were treated as ordinary employee expenses.

Additional non-employee costs

Following the introduction of social distancing as a way to try and reduce infection rates, the Group had to significantly alter its working protocols. Where previously, we had been able to rent space within shipyards for storage or changing facilities, we suddenly had to increase this space to ensure reduced worker density.

Most seriously impacted by these changes were the Group´s travel arrangements. Where previously, we could accommodate four employees in an apartment on a project, we had to reduce this number to two, effectively doubling the accommodation costs on the project. When moving workers to countries, shipyards accommodation, we had to reduce occupancy levels in vehicles by at least 50%.

During parts of March and April, two significant shipyards where the Group operates were shut completely. During this time, the Group sent their workforce home but was required by the shipyards to provide full-time security within the yard to meet health, safety and environmental requirements.

Combined, these non-employee related costs totalled €542,465 during 2020**.**

Loan Forgiveness

In the USA, a government funded support programme known as the Paycheck Protection Program (PPP) was put in place in 2020 in response to COVID. Under the terms of the PPP, companies could take out a loan principally for the purposes of maintaining existing employment levels. Under certain conditions, the loan would subsequently be forgiven. In August 2020, Pinmar USA received €400,159 as part of PPP. The company was subsequently determined to have met the conditions of the program and the loan was forgiven. The has been offset against exceptional COVID costs.

Restructuring costs

Restructuring costs for the year 2020 and 2019 were part of a group-wide cost saving plan which included redundancies and other costs associated with reorganisation and restructuring of certain parts of the Group.

The tax effect of the above exceptional costs amounted to €213 thousand for the year ended 31 December 2020 (€72 thousand for the year ended 31 December 2019).

7. Auditors' remuneration

The fees for audit and non-audit services provided by the auditors of the Group's consolidated financial statements and of certain individual financial statements of the consolidated companies, PricewaterhouseCoopers LLP., and by companies belonging to PricewaterhouseCoopers's network, were as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
	€ 000	*€ 000*
Fees payable to the Company's auditors for the audit of the parent company and consolidated financial statements	85	75
Fees payable to the Company's auditors for the audit of company's subsidiaries	122	108
Fees payable to the company's auditors for prior year variations	108	-
Fees payable to the Company's auditors for other services:		
Other related assurance services	67	51
Other non-audit services	32	21
	414	255

8. Staff costs

The average number of employees (including Executive Directors) was:

	Year ended 31 December 2020	Year ended 31 December 2019
Senior Management	12	13
Sales & Administration	91	81
Production	292	296
	395	390

Their aggregate remuneration comprised:

	Year ended 31 December 2020	Year ended 31 December 2019
	€ 000	*€ 000*
Wages	16,345	16,697
Social security costs	4,055	3,981
	20,400	20,678

Directors' emoluments:

	Year ended 31 December 2020	Year ended 31 December 2019
	€ 000	*€ 000*
Directors' emoluments		
Salaries, fees and bonus (*)	868	1,136
Performance share plan costs	194	88
Highest paid Director		
Salaries, fees and bonus	263	359
Performance share plan costs	105	48

(*) In the year ended 31 December 2019, as a consultant, Kevin McNair also received payment of €121,900 in respect of his role as Interim Chief Financial Officer.

The performance share plan costs detailed in the above table correspond to the expense registered during the year. No share options have been exercised in 2020 and 2019.

Further information about the remuneration of individual directors is provided in the audited part of the Directors' Remuneration Report.

9. Finance costs

	Year ended 31 December 2020	Year ended 31 December 2019
	€ 000	*€ 000*
Interest on bank overdrafts and loans	880	331
Unwinding of capitalised loan issue costs (note 17)	-	305
Interest on obligations under leases	19	83
Other financial costs - net	151	91
	1,050	810

10. Tax

10.1 Tax recognised in profit or loss

	Year ended 31 December 2020	Year ended 31 December 2019
	€ 000	*€ 000*
Corporation Tax		
Current year	(47)	(55)
Prior years	-	-
	(47)	(55)
Deferred tax		
Timing differences	196	157
Tax losses	(80)	(247)
	116	(90)
Total	69	(145)

Spanish Corporation tax is calculated at 25% of the estimated taxable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The income tax expense for the year can be reconciled to the accounting profit/(loss) as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
	€ 000	*€ 000*
Profit/(Loss) before tax from continuing operations	**183**	**828**
Tax at the Spanish corporation tax rate (25%)	(46)	(207)
Overseas tax differences	32	6
Tax effect of incomes / (expenses) that are not considered in determining tax profit	77	3
Utilisation of previously unrecognised losses	-	82
Other differences	6	(29)
Total	69	(145)

10.2 Deferred tax balances

The following is an analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

31 December 2020

	Opening Balance	Recognised in profit or loss	Other	Closing Balance
	€ 000	€ 000	€ 000	€ 000
Property, plant & equipment	74	34	-	108
Tax losses	1,224	(115)	-	1,109
Intangible and tangible assets	(3,345)	197	-	(3,148)
Net	**(2,047)**	**116**	**-**	**(1,929)**
Deferred tax assets	**508**	**(80)**	**-**	**429**
Deferred tax liabilities	**(2,555)**	**196**	**-**	**(2,359)**

31 December 2019

	Opening Balance	Recognised in profit or loss	Other	Closing Balance
	€ 000	€ 000	€ 000	€ 000
Property, plant & equipment	114	(40)	-	74
Tax losses	1,471	(247)	-	1,224
Intangible and tangible assets	(3,542)	197	-	(3,345)
Net	**(1,957)**	**(90)**	**-**	**(2,047)**
Deferred tax assets	**261**	**(25)**	**272**	**508**
Deferred tax liabilities	**(2,218)**	**(65)**	**(272)**	**(2,555)**

The deferred tax assets have been offset against the deferred tax liabilities recognised in the same tax jurisdictions that are expected to unwind against the same taxable income. Deferred tax assets are calculated at the existing tax rates for the specific jurisdiction where the losses have occurred.

The deferred tax assets from tax losses are related to tax losses from Spain and other countries like France and United States with no time limit for their application.

	31 December 2020	31 December 2019
	€ 000	***€ 000***
Between two and five years	-	-
More than five years	1,109	1,224
	1,109	1,224

10.3 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

	31 December 2020	31 December 2019
	€ 000	*€ 000*
Tax losses	242	251
	242	251

11. Earnings per share for profit attributable to the ordinary equity holders of the company €

From continuing operations

Adjusted basic earnings are presented to eliminate the effect of the exceptional items, amortisation and impairment of intangible assets, gains on financial instruments and performance share plan costs (considering the tax effect of these adjustments):

	Year ended 31 December 2020	Year ended 31 December 2019
	€ 000	*€ 000*
Earnings attributable to shareholders	**252**	**753**
Amortisation of intangible assets and depreciation of tangible assets	2,995	2,808
Performance share plan	(90)	108
Exceptional items	1,025	333
Tax effect of above adjustments	(1,297)	(1,056)
Adjusted basic earnings	**2,886**	**2,946**

Basic earnings per share are calculated by dividing net profit for the year attributable to the Group (i.e. after tax and non-controlling interests) by the weighted average number of shares outstanding during that year.

Diluted profit per share have been calculated on a similar basis taking into account dilutive potential shares under the agreements disclosed in note 23.

	Year ended 31 December 2020	Year ended 31 December 2019
Earnings for the period attributable to shareholders (€000)	252	753
Weighted average number of shares	46,640,000	46,640,000
Basic earnings per share (€)	0.00	0.02
Adjusted basic earnings per share (€)	0.07	0.06
Dilutive weighted average number of shares	47,987,728	47,777,975
Diluted earnings per share (€)	0.00	0.02
Adjusted diluted earnings per share (€)	0.07	0.06

12. Goodwill and Intangible assets

Goodwill

	Goodwill € 000
Cost	
At 1 January 2019	9,333
Exchange differences	17
At 31 December 2019	9,350
Exchange differences	(80)
At 31 December 2020	9,270
Carrying amount	
At 31 December 2020	9,270
At 31 December 2019	9,350

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) or group of units that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

	31 December 2020	31 December 2019
	€ 000	***€ 000***
Coatings	8,422	8,502
Supply	848	848
	9,270	9,350

Other intangible assets

	Customer relationships, brands and backlog	Software	Total
	€ 000	€ 000	€ 000
Cost			
At 1 January 2019	15,233	220	15,453
Additions	-	82	82
At 31 December 2019	15,233	302	15,535
Additions	-	617	617
At 31 December 2020	15,233	919	16,152
Accumulated amortisation			
At 1 January 2019	3,992	148	4,140
Charge of the period	923	24	947
At 31 December 2019	4,915	172	5,087
Charge of the period	922	47	969
At 31 December 2020	5,837	219	6,056
Carrying amount			
At 31 December 2020	9,396	700	10,096
At 31 December 2019	10,318	130	10,448

Impairment reviews

The Group performs an annual impairment review for goodwill and other intangible assets, or more frequently if there are indications that these might be impaired.

Testing is carried out by allocating the carrying value of these assets to cash-generating units (CGUs) and determining the recoverable amounts of those CGUs. The recoverable amount is the higher of the fair value minus the costs of selling and its value in use. Value in use calculations are based on cash-flow discounting methods.

The discounted cash-flows are calculated based on 3-year projections of the budgets approved by the Board of Directors. These cash-flows consider past experience and represent the best estimate of management on future market developments and Group performance.

The key assumptions for determining the value in use include the pre-tax discount rate, which has been estimated at 16.25% for the goodwill registered for each of the Coatings and Supply segments (and at 17.25% for ACA Marine, SAS) and a long-term growth rate of 3.0%. These estimates, including the methodology used, may have a significant impact on the registered values and impairment losses. Management has concluded that the estimated growth rate used does not exceed the average long-term growth rate for the relevant markets where the group operates (Europe and USA). Following the impact of the COVID pandemic over the past several months, Management are comfortable that these assumptions are still reasonable.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of CGUs to which goodwill and other intangible assets are allocated.

As part of this scenario analyses, the Directors considered the impact on the recoverable amounts of the assets based upon the following changes to the two key assumptions set out above for both of the periods under review:

- Long-term growth rate: reduced from 3.0% to 2.0%
- Pre-tax discount rate: increased from 16.25% to 20.0%

If we reduce the long-term growth rate by 1% and increase the pre-tax discount rate by 4.75% the level of headroom would decrease by €10.1 million.

Under neither of these scenarios did the recoverable amounts fall below or anywhere near the carrying value of the assets. As a result of this analysis, the Directors believe that any reasonably possible change in the key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

13. **Property, plant & equipment**

PROPERTY, PLANT & EQUIPMENT	Property	Plant and equipment	Other plant, tools, and furniture	Other tangible assets	Total
	€ 000	€ 000	€ 000	€ 000	€ 000
Cost					
At 1 January 2019	2,613	1,951	3,613	9,870	18,047
Additions	57	258	267	157	739
IFRS 16 – Right of use assets – Additions	3,380	-	-	-	3,380
Disposals	(108)	(1)	(136)	(32)	(277)
Exchange differences	-	3	(1)	1	3
At 31 December 2019	5,942	2,211	3,743	9,996	21,892
Reclassifications	47	28	(61)	(14)	-
Additions	71	203	127	2,386	2,786
IFRS 16 – Right of use assets – Additions	516	-	-	-	516
Disposals	-	(12)	(11)	(343)	(366)
IFRS 16 – Right of use assets – Disposals	(426)	-	-	-	-
Exchange differences	-	-40	-1	-9	-50
At 31 December 2020	6,184	2,390	3,796	12,016	24,387
Accumulated amortisation					
At 1 January 2019	1,029	1,207	2,731	4,902	9,869
Charge for the year	85	182	176	496	939
IFRS 16 – Right of use assets – Charges	922	-	-	-	922
Disposals	(57)	-	(104)	(32)	(193)
At 31 December 2019	1,979	1,391	2,803	5,366	11,539
Charge of the period	112	200	208	594	1,114
IFRS 16 – Right of use assets – Charges	882	-	-	-	882
Disposals	-	(11)	(11)	(326)	(348)
Exchange differences	-	26	0	4	30
At 31 December 2020	2,974	1,607	3,000	5,637	13,218
Carrying amount					
At 31 December 2019	3,963	820	940	4,630	10,353
At 31 December 2020	3,211	783	796	6,379	11,169

Property, plant and equipment consists of different categories of tangible assets which are used across the Group in the delivery of goods and services. Other tangible assets consist primarily of scaffolding equipment.

The main additions for the year ended 31 December 2020 and 2019 correspond to the acquisition of machinery and other equipment.

Leases

This note provides information for the leases where the group is a lessee. The amounts recognised in the balance sheet are as follows:

	31 December 2020	**31 December 2019**
	€ 000	**€ 000**
Non-current assets: Property, plant and equipment - Right of use asset	2,906	3,600
Current liabilities: Lease liabilities	(2,035)	(1,571)
Non-current liabilities: Lease liabilities	(904)	(2,184)

The following table sets out a maturity analysis of lease payments related to IFRS16, showing the undiscounted lease payments to be received after the reporting date. In order to see information about obligations under leases reference to note 17.2

In thousands of euro	**2020**	**2019**
Less than a year	1,004	981
One to five years	717	1,656
More than five years	-	28

During 2020, the Group conducted a sensitivity analysis which results that a change of a 1% in the incremental borrowing rate would have the following impact on the Group financial statements:

	Year ended 31 December 2020	
	€ 000	
Balance Sheet	***1%***	***3%***
Increase/(decrease) in Right of Use assets	*24*	*(24)*
Increase/(decrease) in lease liabilities	*9*	*(9)*
Profit for the year		
Increase/(decrease) in depreciation	(3)	3

14. Inventories

	31 December 2020	31 December 2019
	€ 000	*€ 000*
Raw materials	894	187
Goods for resale	2,235	2,348
	3,129	2,535

The cost of inventories recognised as an expense during the year amounted to €11,341 thousand (€12,776 thousand in 2019).

15. Trade and other receivables

	31 December 2020	31 December 2019
	€ 000	*€ 000*
Trade receivables	5,798	6,561
Contract assets	4,018	1,128
Other receivables	1,254	310
Tax receivables	687	657
	11,757	8,656

Trade and other receivables are all current and any fair value difference is not material. Trade receivables are considered past due once they have passed their contracted due date.

Amounts invoiced to customers are due in 30 days. The Group recognises an allowance for doubtful debts of 100% against those receivables overdue that after a specific analysis are considered not recoverable.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality of the customers and the amounts are still considered recoverable.

The Group does not hold any collateral or other credit enhancements over any of its trade receivables nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Amounts receivable from customers can be analysed as follows:

	31 December 2020	31 December 2019
	€ 000	*€ 000*
Amount receivable not past due	1,235	4,352
Amount receivable past due but not impaired	4,563	2,209
Amount receivable impaired (gross)	216	222
Less impairment	-216	-222
	5,798	6,561

Neither the amounts due from service contract customers nor receivables from other debts are past due or impaired in the current and prior periods.

The ageing of past due but not impaired receivables is as follows:

	31 December 2020	31 December 2019
	€ 000	*€ 000*
<60 days	4,240	948
61-90 days	73	679
>91 days	250	582
	4,563	2,209

The movement in the allowance recorded for doubtful debts is as follows:

	31 December 2020	31 December 2019
	€ 000	*€ 000*
Balance at the beginning of the year	(222)	(146)
Transfer	(29)	(44)
Amounts written off during the year as uncollectible	29	44
Impairment losses (recognised)	(32)	(76)
Amounts recovered during the year	38	-
	(216)	(222)

Contract assets

The contract assets primarily relate to the Group's right to consideration for construction work completed but not invoiced at the balance sheet date. The contract assets are included within the caption "Trade and other receivable". The balance increased during the year by €2.9 million as the Group has work more during the period than amount billed which is reflected in the increase in trade receivables.

16. Cash and cash equivalents

	31 December 2020	31 December 2019
	€ 000	*€ 000*
Cash and cash equivalents	3,600	5,529
	3,600	5,529

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

17. Borrowings and obligations under leases

	31 December 2020	31 December 2019
	€ 000	**€ 000**
Syndicated loan	4,918	6,788
ICO loan	3,000	-
Capitalised costs – net	(109)	(313)
Revolving credit facility	1,311	527
Factoring facility	3,179	2,714
Other financial liabilities	63	261
Total borrowings	12,361	9,977
Amount due for settlement within 12 months	9,789	5,062
Amount due for settlement after 12 months	2,572	4,915

The difference in capitalised costs – net set out above and the figure in note 9 relates relates to fees charged to the Group by the banks for a modification of the syndicated loan facility.

	31 December 2020	31 December 2019
	€ 000	**€ 000**
Obligations under leases	2,939	3,755
Total obligations under leases	**2,939**	**3,755**
Amount due for settlement within 12 months	2,035	1,571
Amount due for settlement after 12 months	904	2,184

17.1 Summary of the borrowing arrangements

Syndicated loan -

On 3 March 2016, the Group subsidiary, Hemisphere Coating Services, S.L.U., signed a syndicated loan agreement with three financial institutions, expiring on March 2021.

This syndicated loan is guaranteed by certain of the Group subsidiaries and consists of two different facilities:

- Facility A: loan for a total amount of €9,180 thousand with biannual maturities of €918 thousand until expiration on March 2021 since the beginning of the contract.

- Facility B: loan for a total amount of €4,000 thousand maturing at the end of the contract on March 2021 (see note 2.3).

Both facilities bear interest at EURIBOR +3%.

The loan requires compliance with certain financial covenants. At 31 December 2020, considering the underperformance a waiver has been signed with the financial institutions for the whole period. For the year ended at 31 December 2020 the Group have obtained a waiver for financial covenants.

ICO Loan -

On 29 June 2020, the Group entered into floating rate syndicated financing agreements of €3.0 million of new borrowing facilities through the Spanish government´s ICO loan facility. The ICO in Spain guarantees 70 per cent of the value of loans.

Under the terms of these ICO loans, there is no repayment during the twelve months following execution and the outstanding balance is repaid over the subsequent 48 months via equal monthly payments.

The ICO facilities bear interest at 4%. The amount drawn on 31 December 2020 was €3.0 million.

Additionally, the Group has at its disposal:

- Revolving credit facilities up to € 2.0 million.
- Factoring and discounting facilities up to € 12.5 million.
- Bank guarantees up to €4.3 million, of which €2.5 million were drawn as of 31 December 2020.

As a result of the above agreements, at year end the Group has bank facilities totalling €14.5 million of which €7.8 million were drawn and €6.7 million were undrawn as of 31 December 2020.

17.2 Obligations under leases

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short term and low-value leases, see note 13 for further information.

As of 31 December 2020, the Group had the following minimum lease payments due to lessors in accordance with current contracts in place:

	Minimum lease payments
	As at 31 December 2020
	€ 000
Amounts payable under Obligations under leases:	
Within one year	2,035
In the second to fifth years inclusive	904
After five years	0
	2,939

As of 31 December 2019, the Group had the following minimum finance lease payments due to lessors (including, where applicable, the purchase options) in accordance with current contracts in place:

	Minimum lease payments
	As at 31 December 2019
	€ 000
Amounts payable under Obligations under leases:	
Within one year	1,571
In the second to fifth years inclusive	2,156
After five years	28
	3,755

The financial lease contracts are formalised in euros and have fixed interest rates in accordance with the financial market.

18. Trade and other payables

	31 December 2020	31 December 2019
	€ 000	€ 000
Trade payables	12,020	9,231
Contract liabilities – Deferred income	3,639	5,372
Wages and salaries	2	573
Tax payables	2,470	2,292
	18,131	17,468

Under the caption "Contract liabilities - Deferred income" are contractual advances from customers related to on-going and future projects. This number decreased by €1,733 thousands as the Group received less in deposits from clients during the period than it did in 2019. As revenue is recognised in relation to these contracts, the liability is decreased by an equal amount until the liability is fully extinguished.

Trade average credit period taken for trade purchases is established between 30 and 60 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The directors consider that the carrying amount of trade payables approximates to their fair value.

19. Provisions

	€ 000
At 1 January 2019	1,168
Charge for the year	119
Released	(800)
At 31 December 2019	487
Charge for the year	271
Released	(383)
At 31 December 2020	375
Current	356
Non-current	19

	31 December 2020	31 December 2019
	€ 000	€ 000
Guarantee provision	356	468
Legal and tax provision	19	19
Contractual claims	-	-
	375	487

As of 31 December 2020, the Group has a current provision amounting to €356 thousand (2019: €468 thousand), for re-painting guarantees contemplated in the contractual agreements with clients for the painting of boats and vessels. This provision is calculated as an average percentage of the guarantees borne in the past three years compared to the total turnover for the corresponding year.

As of 31 December 2018, the Group had a non-current provision of €800 thousand relating to contractual claims made by a shipyard against the Group in relation to a refit project that the Group undertook. The Group also had a receivable for €800 thousand from the paint manufacturer that provided the paint that was used in the project that was subject to the claim. On February 2020, the Group signed a settlement agreement with the shipyard which had made the claim. Under the terms of the settlement, the claim against the Group was dropped and the Group undertook to drop the claim against the paint manufacturer. The Group also undertook to repaint the vessel which was the subject of the claim at some point within the next five years on commercial terms which the Directors to believe to be acceptable.

At 31 December 2020 the Group and its legal advisers consider that the provisions recorded are sufficient for covering future obligations.

20. Equity

At 31 December 2019 and 2020 the Company's share capital amounted to €106 thousand represented by 46,640,000 ordinary shares with a par value of £0.002, issued and fully paid up.

No dividend was declared or paid during the year ended 31 December 2020.

At 31 December 2020 the Group registered a share based payment reserve amounting to €286 thousand based on the agreements disclosed in note 23.

21. Acquisitions

On 30 June 2019, the Group completed the acquisition of ACA Marine, SAS, acquiring the remaining 30% from Atko, SARL of the issued share capital for an amount of €167 thousand. This agreement included the cancellation of the Put and Call Option Agreement that was in place, and therefore those balances related to the ACA Put Option registered under the captions "Put option reserve" and "Other financial liabilities" in the prior year were adjusted, generating a gain of €379 thousand.

22. Notes to the Cash Flow Statement

	2020 € 000	2019 € 000
Profit / (loss) for the year before tax	**183**	**828**
- Depreciation and amortisation	2,995	2,808
- Performance share plan	(90)	108
- Gain on financial instruments	-	(379)
- Finance costs	1,050	810
- Exchange differences	-	(27)
Adjustments to profit / (loss)	**3,955**	**3,320**
- Decrease in inventories	(594)	12
- (Increase)/decrease in trade and other receivables	(2,682)	(549)
- Increase in trade and other payables	554	520
Changes in working capital	**(2,722)**	**(17)**
- Interest paid	(1,050)	(491)
- Income tax paid	(470)	(680)
Other cash flows used in operating activities	**(1,520)**	**(1,171)**
CASH FLOWS FROM OPERATING ACTIVITIES	**(104)**	**2,960**

23. Share-based payments

Performance Share Plan

The Company established a Performance Share Plan (the "PSP") for Directors and other selected senior management, which was adopted by the Board on 23 June 2017.

This award grants an option to acquire ordinary shares in the capital of the Company at a price of £0.002 per ordinary share, subject to the Performance Target. The award will normally vest on the third anniversary of grant or, if later, when the Remuneration Committee determines the extent to which any performance conditions have been satisfied. These will be exercisable up until the tenth anniversary of grant unless they lapse earlier.

In 2020, the 2017 plan has been cancelled because the performance conditions have not been satisfied.

The Company established a Performance Share Plan (the "PSP") for Directors and other selected senior management, which was adopted by the Board on 18 August 2020.

This award grants an option to acquire ordinary shares in the capital of the Company at a price of £0.002 per ordinary share, subject to the Performance Target. The award will normally vest on the third anniversary of grant or, if later, when the Remuneration Committee determines the extent to which any performance conditions have been satisfied. These will be exercisable up until the tenth anniversary of grant unless they lapse earlier.

Details of the share options outstanding during the year are as follows:

	Number of share options	**Weighted average exercise price (pence)**
Outstanding at 1 January 2019	257,950	0.2
Outstanding at 31 December 2019	557,334	0.2
Granted during the year	518,822	0.2
Cancelled during the year	(259,569)	-
Outstanding at 31 December 2020	816,587	0.2

Assumptions used in the Black-Scholes model to determine the fair value:

	2019 PSP	**2020 PSP**
Share price at grant date (pence)	63.5	150
Exercise price (pence)	0.2	0.2
Option life (years)	3	3
Risk-free interest rate (%)	0.63%	0.63%
Expected volatility (%)	77.5%	66.7%
Expected dividend yield (%)	5.6%	0%

Expected volatility was determined by calculating the historical volatility of the Group's share price since the Company was admitted to the AIM Market.

In 2020 the Group has recognised a credit amounting to €90 thousand for these plans. In 2019 the Group recognised an expense amounting to €108 thousand for this plan.

Warrant

The Company granted a warrant to Zeus Capital to subscribe for such number of ordinary shares as is equal to 1 per cent of the enlarged share capital of the Company following completion of the placing. The warrant shall be exercisable in whole or in part at any time during the period of 5 years from the first anniversary of Admission. The warrant shall be exercisable at the placing price multiplied by 105%.

Details of the share options outstanding during the year are as follows:

	Number of share options	**Weighted average exercise price (pence)**
Outstanding at 31 December 2019	466,400	105
Outstanding at 31 December 2020	466,400	105

Assumptions used in the Black-Scholes model to determine the fair value:

Share price at grant date (pence)	100
Exercise price (pence)	105
Option life (years)	5
Risk-free interest rate (%)	2.50%
Expected volatility (%)	28.60%

In 2017 the Group recognised an expense amounting to €92 thousand for this warrant.

24. Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The Directors regularly review the working capital forecasts of the Group to understand the impact of Group performance and outside factors, such as the COVID pandemic, on the liquidity position of the Group. Where necessary, the Directors alter the balance of different types of equity that the Group can access.

The capital structure of the Group consists of net debt (borrowings disclosed in note 17) and equity of the Group.

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 2.

Categories of financial instruments

	31 December 2020	31 December 2019
	€ 000	***€ 000***
Financial assets		
At amortised cost		
Cash and other financial assets (note 16)	3,600	5,529
Loans and receivables - long term	197	144
Trade and other receivables (note 15)	11,756	8,656
	15,553	14,329
Financial liabilities		
At amortised cost		
Amortised cost - borrowings (note 17)	9,203	7,002
Finance lease liabilities (note 17)	24	-
Obligations under leases (note 17)	2,939	3,755
Other financial liabilities (note 17)	38	36
Liabilities under factoring facilities	3,179	2,714
Trade, deferred income and other payables (note 18)	18,084	17,468
At fair value through P&L		
Derivative instruments not designated hedge accounting relationships	2	14
	33,469	30,989

The carrying value of all financial assets and financial liabilities equate to the fair value.

Management of the Group's financial risks is centralised in the Group's Finance Department, which has established mechanisms to monitor interest rate and exchange rate exposure, as well as credit and liquidity risk. The main financial risks affecting the Group are indicated below:

1. *Credit risk*

Credit risk arises from cash and cash equivalents and credit exposure to customers, including outstanding receivables. Credit risk is managed on a group basis.

For banks and financial institutions, only those with a Moody´s rating of Aaa (or equivalent) or with which the Group has an existing borrowing relationship are accepted.

Clients within the Coatings sector are either ultra-high net worth individuals, the companies through which they own their boats or shipyards that act as main contractors on behalf of the boat owners. The credit risk of the first two categories is extremely low. The risk is also mitigated by the fact that the Group has to complete a project before the owner can use the vessel again. The staged payments typical in these types of contracts means that there is very little exposure to unpaid receivables by the end of a project.

The Group regularly reviews the credit ratings of each shipyard with whom in contracts to understand any potential credit risk associated with them. Individual risk limits are set based on external ratings in accordance with limits set by the board.

Credit exposure within the supply business comprises trade receivables with yachts and their owners which are described above. Trade customers (e.g. not yachts) have individual credit limits based on public ratings and payment history. The compliance with credit limits by Supply customers is regularly monitored by line management. For some trade receivables the group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Group´s treatment of bad debts and potential bad debts during the periods under review for trade and other receivables, including an analysis of past due amounts, is set out in note 15.

2. Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash and equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

At the end of the reporting period, the Group held cash and cash equivalents of €3.6 million (2019: €5.5 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is carried out by management at Group level.

In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against external regulatory requirements and maintaining debt financing plans.

Financing arrangements

The Group had access to €14.5 million of working capital facilities at 31 December 2020. The Group´s working capital facilities are subject to annual review and renewal.

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for: all non-derivative financial liabilities and net settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

Contractual maturities of financial liabilities at 31 December 2020	Less than 12 months	Greater than 12 months	Carrying amount
	€ 000	*€ 000*	*€ 000*
Non-derivatives			
Trade payables	18,084	-	18,084
Borrowings	4,346	2,627	6,973
Liabilities under factoring facilities	3,179	-	3,179
Lease liabilities	2,035	904	2,939
Total	**27,644**	**3,531**	**31,175**
Derivatives			
Interest rate swap	2	-	2
Total	**2**	**-**	**2**

Contractual maturities of financial liabilities at 31 December 2019	Less than 12 months	Greater than 12 months	Carrying amount
	€ 000	*€ 000*	*€ 000*
Non-derivatives			
Trade payables	17,468	-	17,468
Borrowings	5,062	4,915	9,977
Liabilities under factoring facilities	2,714	-	2,714
Lease liabilities	1,571	2,184	3,755
Total	**26,815**	**7,099**	**33,914**
Derivatives			
Interest rate swap	14	-	14
Total	**14**	**-**	**14**

3. Currency risk

The Group operates primarily in euro and US Dollar. The Group mitigates the risk by incurring costs in currencies matching its revenues. Any remaining transactional foreign currency exposure is not considered to be material and is not hedged. As at 31 December 2020, the Group had not derivative contracts for currency hedging purposes.

4. Market risk

The Group's activities expose it primarily to the financial risks of changes in interest rates. The Group's management focusses on the uncertainty of financial markets and attempts to minimise the potential adverse effects on its profitability. The Group enters into derivative financial instruments to manage its exposure to interest rate risk, with three Interest Rate Swaps to mitigate the risk of rising interest rates.

4.1. Interest rate risk

As of 31 December 2020 and 2019, the main borrowing corresponds to the syndicated loan which bear a variable interest.

4.1.1. Sensitivity analysis:

A change of a 0.5% in interest rates would have the following impact on the Group financial statements:

	Year ended 31 December 2020	Year ended 31 December 2019
	€ 000	*€ 000*
Profit for the year		
Increase in rates	(39)	(37)
Decrease in rates	39	37

This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis also assumes that all other variables remain constant and considers the effect of financial instruments with variable interest.

5. Capital management

The primary objective of the Group's capital management is to ensure that it has the capital required to operate and grow the business at a reasonable cost of capital without incurring undue financial risks. The syndicated loan also requires compliance with certain financial covenants. For the year ended at 31 December 2020 the Group have obtained a waiver for financial covenants.

25. Subsidiaries

The Group consists of a parent company, GYG plc, incorporated in the UK and a number of subsidiaries held directly by GYG plc, which operate and are incorporated mainly in Spain but also in some other countries around the world.

A list of the Company's subsidiaries is included below:

Name	Principal activity	Registered Office	Ownership
Civisello Inversiones, S.L.U.	Holding	Global Building. Muelle Viejo. Palma de Mallorca. Spain.	100%
Hemisphere Yachting Services, S.L.U.	Holding	Global Building. Muelle Viejo. Palma de Mallorca. Spain.	100%
Hemisphere Coating Services, S.L.U.	Coating	Global Building. Muelle Viejo. Palma de Mallorca. Spain.	100%
Hemisphere Central Services, S.L.U.	Central Services	Global Building. Muelle Viejo. Palma de Mallorca. Spain.	100%
Pinmar Yacht Supply, S.L.	Supply	Camino Escollera, 5. Palma de Mallorca. Spain	100%
Pinmar USA, Inc.	Coating	Avenue 2010. Riviera Beach. FL 33404. USA.	100%
Global Yachting Group, Ltd	Coating	Station Road 55. Buckinghamshire. UK.	100%
ACA Marine, Ltd	Holding	Cannon Place 78. Cannon Street. London. UK.	100%
Hemisphere Yachting Services, GmbH	Coating	Lehmweg 17, 20251 Hamburg. Germany.	100%
Hemisphere Coating Services, B.V.	Coating	Herikerbergweg 238. 11O1CM Amsterdam. Netherlands.	100%
Hemisphere Coating Services, S.A.S. (previously ACA Marine, SAS)	Coating	46 Quai Francois Mitterrand. 13600 La Ciotat. France.	100%

The Group financial statements incorporate the financial statements of the parent Company, GYG plc and the above subsidiaries.

For the year ending 31 December 2020 the following subsidiaries of the Company were entitled to exemption from audit under s479 A of the Companies Act 2006 related to subsidiary companies:

Name	Principal activity	Companies House Registration Number	Ownership
Global Yachting Group, Ltd	Coating	9533209	100%
ACA Marine, Ltd	Holding	10649007	100%

26. Related party transactions

Services provided

	Year ended 31 December 2020	Year ended 31 December 2019
	€ 000	*€ 000*
Global Yacht Finishing, S.L.	41	49
	41	49

Services received

	Year ended 31 December 2020	Year ended 31 December 2019
	€ 000	*€ 000*
AKC Management Services, Ltd.	183	199
Quoque Ltd.	316	181
Global Yacht Finishing, S.L.	329	357
	828	737

GYG leases offices from Global Yacht Finishing, S.L. (Rupert Savage is a director of both GYG and Global Yacht Finishing).

Quoque Ltd (company owned by a close family member of the Chief Executive Officer) has provided consulting services in relation to ERP design and implementation. These services are reviewed and approved prior to commencement by the non-executive directors. In addition to the amounts listed above for services received, the Group reimbursed or paid for various accommodation and travel expenses of €34 thousand in 2020 (€23 thousand in 2019) for Quoque employees in the performance of those services.

During the year GYG contracted with AKC Management Services Ltd. for the provision of management services amounting to €183 thousand, of which there were no amount outstanding at the year end (Kevin McNair is a director of both GYG and AKC Management Services Ltd). Kevin McNair did not receive a salary from GYG.

All these transactions were undertaken on an arm's length basis and on normal commercial terms. The Directors who are independent of any related party review the commercial terms of any contract or transaction prior to the Group entering into the relevant contract. They base their decisions upon prior commercial experience and, when necessary, outside advice.

Balances

	31 December 2020	31 December 2019
	€ 000	***€ 000***
Atko, S.A.R.L.	-	-
AKC Management Services Ltd.	-	(47)
Quoque Ltd.	(25)	-
Global Yacht Finishing, S.L.	(92)	(29)
	(117)	(76)

Remuneration of key management personnel

The remuneration of Executive Directors and Non-Executive Directors, who are the key management personnel of the group, is set out below.

	Year ended 31 December 2020	Year ended 31 December 2019
	€ 000	***€ 000***
Salaries, fees and bonus	868	1,136

The above amounts include "salaries, fees and bonus" paid in £ amounting to £150 thousand in 2019 and 2020.

In the year ended 31 December 2019, as a consultant, Kevin McNair also received payment of €121,900 in respect of his role as Interim Chief Financial Officer.

Further information about the remuneration of individual Directors is provided in the audited part of the Directors' Remuneration report.

27. Post Balance sheets events

In February 2021, the Group repurchased shares with a value of £490.

In March 2021, the Group amended its borrowing facilities with its existing lenders. Under the terms of the amended agreement, Facility B, which was due to be repaid in March 2021, is now repayable in four tranches of €1.0 million starting in June 2021 and ending in December 2022. Facility A was repaid in early April 2021. As part of the amendment, an additional €1.0 million of revolving credit, factoring and discounting facilities were made available to the Group.

On 9 April 2021, the Group was notified that one of the Company´s major shareholders, Harwood Capital, was in the preliminary stages of evaluating a possible offer for the entire issued and to be issued share capital of the Company. As of today, Harwood has made no further announcements in relation to this possible offer. Following publication of these results, it is the Board´s intention to engage with independent shareholders to appraise them further of the current trading and prospects for GYG. When we have feedback from independent shareholders in relation to the Group´s prospects and their attitude towards the unsolicited possible offer, we will make a further announcement.

On 12 April 2021, the Group was informed that Nobiskrug shipyard in Germany, where it was working on three projects, had entered into an insolvency process to allow it to restructure itself. The Group´s existing financial exposure to this yard at the time of this announcement was €2.8 million (excluding VAT; all of which relate to 2021). Subsequent discussions with the ultimate owners of the projects in this yard lead the Directors to remain confident that the projects will all be completed and most, if not all, of the outstanding amount will be recovered in due course. No allowance for impairment has been made in these consolidated financial statements.

No other events have occurred after 31 December 2020 that might significantly influence the information reflected in these consolidated financial statements.